FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 085 2 May 1986

ARGENTINA

Nicaragua's Tinoco Arrives, Comments on Contadora B 1
Energy Secretary on Supply of Soviet Equipment B 1
Briefs: Ambassador to Yugoslavia; New Submarine Force Chief B 1

BOLIVA

Suspicious Camps Found During 'United Forces-86' C 1
Bomb Found at Airport Housing USAF Galaxy C 1
Bedregal Says Ties With Chile Not Priority C 1
Nonaligned Movement Supports Sea Claim [PRESENCIA 22 Apr] C 2
Bedregal Discusses World Economy, Foreign Debt C 2
Bedregal on Goals of Delegation to PRC C 3

BRAZIL

Sarney Notes Economic Gains in Labor Day Speech D 1
Sarney Itinerary for Upcoming Trip Noted [FOLHA DE SAO PAULO 30 Apr] D 2
Officials Discuss Money Laundering in Paraguay [O GLOBO 27 Apr] D 2
Army Chief Seeks Joint Missile Venture in Sweden [FOLHA DE SAO PAULO 24 Apr] D 3
Nuclear Power Agreement Signed With Egypt [FOLHA DE SAO PAULO 30 Apr] D 4

CHILE

May Day Sees 720 Arrested, 3 Carabineros Wounded E 1
4 Hurt as Police Break Up Student March E 1
ANC Issues 'Chile's Demand' for Democracy E 2
Bomb Kills High-Ranking MIR Leader Penailillo E 3
Del Valle Discounts Report on Spy Ring E 4

PARAGUAY

Violence, Arrests Mar May Day Celebration H 1
Opposition Parties Score Radio Nanduti Attack [ULTIMA HORA 30 Apr] H 1

PERU

Cartagena Group Signs Agreement on Narcotics J 1

MEXICO

25 Arrested in Mexico City May Day Riots M 1
Pemex Sales To Increase to 1.35 Million Barrels M 1
Conasupo To Supervise Market of Staple Products M 1
Briefs: New Supreme Court President; New Ambassador to Costa Rica M 2

CENTRAL AMERICA

COSTA RICA

Monge's Last Address to Legislative Assembly P 1
Monge Cancels Plans Due to Respiratory Ailment P 4
Free Costa Rica Movement Views Terrorism [LA NACION 26 Apr] P 4
LA NACION on Nicaragua-Libya 'Connection' [23 Apr] P 6

EL SALVADOR

Duarte on Freedom To Hold Workers' Parade P 8
UNTS Stages March P 8

GUATEMALA

President Cerezo Denies Alleged Coup Attempts P 9
'Climate of Tension Permeates' Labor Sector P 9
Labor Minister's Message on 1 May Occasion P 10

HONDURAS

Azcona Statement on Economy, Budget Policy P 11

NICARAGUA

President Ortega Gives May Day Speech in Managua P 17
Wheelock Speaks at UNAG on Agrarian Reform [BARRICADA 27 Apr] P 24
Bill Abolishing Anti-Somozist Courts Rejected P 27
Soviet Ambassador Concludes 6-Year Term P 27
Briefs: International Edition of BARRICADA P 27

CUBA

Roberto Veiga Addresses Havana May Day Rally Q 1
R. Castro Leads Camaguey Parade Q 3
Ciego de Avila Marks Day Q 4
Cienfuegos Celebrates Q 4
Castro Awards Third Party Congress Banners Q 4
Raul Castro Speaks to UJC Plenary Meeting Q 5
Risquet Closes Communications Symposium Q 5
Naval, Port Technology, Safety Symposium Ends Q 6
USSR Government Reports on Chernobyl Accident Q 6
'Our America' Scores U.S. Caribbean Exercises Q 6

CARIBBEAN

DOMINICA

DLP To Send Students to Soviet Bloc Countries S 1

HAITI

Former Mayor, Tontons Macoute Chief Detained S 1

GUYANA

President Hoyte Delivers May Day Speech T 1

NICARAGUA'S TINOCO ARRIVES, COMMENTS ON CONTADORA

PY011727 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1554 GMT 1 May 86

[Text] Buenos Aires, 1 May (NA) -- Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco stated here today that his country "has not yet decided to sign the document proposed by the Contadora Group." He made it clear, however, that "we are always open to holding negotiations within the continent." Tinoco made these remarks at noon today on his arrival at Ezeiza International Airport from Peru. He is visiting Argentina as part of a Latin American tour.

ENERGY SECRETARY ON SUPPLY OF SOVIET EQUIPMENT

PY301613 Buenos Aires Domestic Service in Spanish 0200 GMT 29 Apr 86

[Interview with Energy Secretary Jorge Lapena by reporter Eduardo Draillet on an agreement signed on 29 April between Hidronor State Enterprise and an Argentine-Soviet consortium, for the supply of equipment for the Piedra del Aguila Dam; date not given -- live or recorded]

[Text] [Lapena] The contract provides that an Argentine-Soviet consortium will supply turbines, transformers, and generators for the Piedra del Aguila Dam which, as you know, is one of the most important projects we have under construction now.

[Draillet] Is this the fourth agreement of this kind that the Soviet Union is signing with us?

[Lapena] That is correct. The Soviet Union has already supplied us with important hydroelectric equipment. For instance, the turbines for Salto Grande Dam were made in the Soviet Union. Soviet equipment is also being used in the Bahia Blanca thermoelectric plant, which is still under construction -- that is, two 310 megawatt turbines -- and the Costanera 7 power plant, which is also using Soviet equipment.

[Draillet] Are there other immediate projects in the energy sector?

[Lapena] Well, we have important projects under construction now. I would say that our four [as heard] major projects are Yacyreta, the Atucha Nuclear plant, and the Bahia Blanca thermoelectric plant. We hope to conclude Bahia Blanca and Atucha by 1990, Yacyreta by 1992.

BRIEFS

AMBASSADOR TO YUGOSLAVIA -- Buenos Aires, 15 Apr (TELAM) -- The Government of Yugoslavia has agreed to the designation of Jorge Alberto Taiana as Argentine ambassador to that country. [Summary] [Buenos Aires TELAM in Spanish 0313 GMT 16 Apr 86 PY]

NEW SUBMARINE FORCE CHIEF -- Mar del Plata, 10 Apr (TELAM) -- Navy Chief of Staff Vice Admiral Ramon Antonio Arosa this morning presided over the swearing-in ceremony of the new commander of the Submarine Force, Navy Captain Antonio Jose Mozzarelli. [Excerpt] [Buenos Aires TELAM in Spanish 1158 GMT 10 Apr 86 PY]

SUSPICIOUS CAMPS FOUND DURING 'UNITED FORCES-86'

PY011622 Madrid EFE in Spanish 0225 GMT 1 May 86

[Text] La Paz, 30 Apr (EFE) -- The U.S. and Bolivian military forces conducting maneuvers in the Chapare region, Cochabamba Department, have discovered two camps that probably belong to armed drug-trafficking groups.

Bolivian Defense Minister Fernando Valle today said that "the two camps might belong to subversives or simply be cocaine processing laboratories. Just in case, the two armies are conducting combing operations in regions that we obviously cannot yet specify."

The joint military maneuvers, entitled "United Forces-86," are in their 2d day. They are being conducted to "train the Bolivian troops in antisubversive operations," and, according to members of the opposition, "to destroy the coca plantations with powerful herbicides." The maneuvers began yesterday with parachute jumps by 360 paratroopers of both armies.

The peasants of the region are watching the maneuvers closely. They fear that the Americans may use the maneuvers as an opportunity to spray their coca plantations with powerful insecticides.

The defense minister has denied "any intention of destroying the Chapare coca plantations or spraying them with chemicals that would render the peasants' land unproductive."

BOMB FOUND AT AIRPORT HOUSING USAF GALAXY

PY010152 Paris AFP in Spanish 2327 GMT 30 Apr 86

[Text] La Paz, 30 Apr (AFP) -- The police reported here today that a bomb was discovered and deactivated in the ladies' bathroom of the Viru-Viru International Airport in Santa Cruz, in the eastern region of Bolivia.

A huge U.S. Air Force Galaxy airplane which transported military materiel (helicopters, arms, food, and other war materiel) for the joint U.S.-Bolivian maneuvers that are taking place in the region, is at the Viru-Viru airport. The Galaxy plane arrived on 24 April and will be at the airport until 6 May, when the military maneuvers conclude.

The bomb was discovered last night when airport activities decreased. Authorities proceeded immediately to enforce security measures and to carry out the proper investigations.

BEDREGAL SAYS TIES WITH CHILE NOT PRIORITY

PY300255 Paris AFP in Spanish 1425 GMT 29 Apr 86

[Text] La Paz, 29 Apr (AFP) -- Foreign Minister Guillermo Bedregal stated here today that the re-establishment of diplomatic ties with Chile is not a priority of current Bolivian international policy.

Bedregal stated that the sea outlet issue is not within the scope of Bolivia's present international policy, nor does it consider the resumption of ties a priority issue. However, this could change in due time.

Bedregal explained that the Bolivian Government has outlined a policy concerning trade with Chile, seeking to overcome the century-old conflict through open and quiet talks.

Bedregal recalled the mutual importance of a number of activities between the two countries such as the railroad service, free entry, customs, and other activities which deserve special attention.

In conclusion, Bedregal said that the Bolivian consul general in Santiago, Jorge Silas Salinas, will make attempts to achieve high-level meetings seeking to meet the national goals on the trade and road network areas.

NONALIGNED MOVEMENT SUPPORTS SEA CLAIM

PY302255 La Paz PRESENCIA in Spanish 22 Apr 86 p 1

[Text] The Foreign Ministry has reported that the preparatory meeting for the eighth summit of the heads of state of the nonaligned countries has expressed its categorical support for Bolivia's just and legitimate claim to recover a sovereign, direct and useful outlet to the Pacific Ocean.

It added that the declaration was approved on 19 April in New Delhi. The Foreign Ministry reported that the member countries are convinced that a solution to Bolivia's sea problem is an issue that concerns the international community. The declaration calls on all nations to declare their solidarity with this inalienable right of the Bolivian people by implementing the peaceful means established in the U.N. Charter and the objectives of the Nonaligned Movement.

Present at the meeting that was held from 16 to 19 April was Bolivian Ambassador at Large Jorge Gumucio, who reported that the summit of the heads of state will be held from 26 August to 6 September 1986 in Harare, Zimbawe.

BEDREGAL DISCUSSES WORLD ECONOMY, FOREIGN DEBT

PY261651 Paris AFP in Spanish 0409 GMT 26 Apr 86

[Text] La Paz, 25 Apr (AFP) -- Foreign Minister Bedregal Gutierrez today announced that Bolivia will attend a meeting to renegotiate its foreign debt with international private banks. He also warned that world economy may collapse if industrialized nations refuse to change their policy with regard to the foreign debt of developing countries. He said: We are worried about the world economy becuase if the industrialized countries remain inflexible it may collapse.

He explained that his remarks were based exclusively on the fact that developing countries cannot pay their debts. He added that after the meeting with the private banks, Bolivia may hold talks about its foreign debt with the Paris Club in June. He indicated that only flexible mechanisms will allow countries like Bolivia to handle their foreign debts.

Meanwhile, the Finance Ministry reported that Bolivia has disbursed $31 million to amortize its public foreign debt with multilateral agencies. Bolivia's overall foreign debt is estimated at $4.5 billion dollars.

BEDREGAL ON GOALS OF DELEGATION TO PRC

PY301447 La Paz Radio Illimani Network in Spanish 1700 GMT 29 Apr 86

[Text] Foreign Minister Guillermo Bedregal Gutierrez said this morning that the Boli Bolivian Government will try to negotiate PRC cooperation and to obtain basic equipment for the Bolivian Armed Forces, which they will use to protect territorial sovereignty.

The minister announced the basic aims of the Bolivian delegation which will leave tomorrow for the PRC to negotiate antimony and tungsten sales. Bedregal Gutierrez is very optimistic about the favorable result of the contacts with the PRC. He said that representatives of the Bolivian private mining industry will also travel with the delegation.

[Begin recording] We have prepared all the necessary instruments and hope to reach very important cooperation agreements. The documents have already been drawn up in agreement with the Foreign Ministries of the two countries. Mainly, we are going to discuss the case of tungsten, and we hope to get PRC understanding on this issue, and specifically the tin problem, to see if they can help us. You all know, however, that the tin problem lies more in Brazil and above all, with the madness of the commercial banks, which are selling, in helter-skelter fashion, the tin they hold as security for the loans granted to the International Tin Council.

I am very optimistic about the trip to the PRC. I am going with the Army commander. We are taking some proposals regarding the basic equipment for the Armed Forces so that the equipment can be used to protect our borders. [Words indistinct] this is an area in which we are going to put our greatest effort. Wish me well. [end recording]

Regarding the specific proposals that Bolivia is taking to the PRC, the foreign minister referred to the relative positions of Bolivia and the PRC regarding tin quotas and international tin prices, in case the International Tin Council is reactivated.

[Begin recording] The PRC should reorganize its production in accordance with the mechanisms of its traditional exports. The Chinese are only observers in the Association of Tin producers. We hope that the Chinese will in the future join the association and the tin council [words indistinct]. [end recording]

Regarding the Bolivian landlocked situation, Foreign Minister Bedregal Gutierrez stated that any time is a good time if efforts are made to seek understanding for the benefit of peace in the continent. According to press reports, the Bolivian Government has announced the possibility of dialogue with the Chilean Government to find a solution to Bolivia's landlocked situation.

[Begin recording] Tin is most affected by the deterioration of the market. Time is always well spent when efforts are made to talk of peace, friendship, understanding, and cooperation. This is especially true when our intentions, which are always good, are involved. [end recording]

SARNEY NOTES ECONOMIC GAINS IN LABOR DAY SPEECH

PY020147 Sao Paulo Bandeirantes Television in Portuguese 2330 GMT 1 May 86

[Labor Day address by President Jose Sarney on 1 May -- recorded]

[Text] Workers of Brazil: Today we celebrate Labor Day, although I consider every day Labor Day. I greet all working women and men, my fellow countrymen.

Our government, my government and the government of the workers, chose from the beginning to take care of the social sector and the have-nots. The workers began to take part in decisionmaking. Never has so much been done for the working class, not only through the laws that were passed and through government actions but also through our attitude. The workers organized themselves freely and they now take part in the country's activities at the same level as the other classes.

In 1985 they were granted a real salary increase and recovered the rights they had lost. We stopped their salaries from losing their purchasing power. Everyone had the right to petition. We resumed development through the creation of 1.5 million new job opportunities. What could be better than to create new job opportunities for those who work? The support of the labor unions, the restoration of labor union autonomy, the reinstatement of banned political leaders, the dropping of repressive measures, participation, dialogue, and coexistence have marked the government's relationship with the working class.

Workers have been granted access to the executive boards of the SUDAM [Superintendency for Developing the Amazon Region]; the Sudene [Superintendency for Development of the Northeast]; Consumers Defense Board; the IBGE [Brazilian Institute of Geography and Statistics], which is in charge of calculating the cost of living rates; and now the National Monetary Council, where the worker will take part in the most important economic decisions.

The cruzado plan has safeguarded the workers' purchasing power. For the last 2 months salaries have not been eaten away by a 15-percent monthly inflation rate. In March salaries benefited from a 1.48-percent overall deflation rate, and food prices fell by 5 percent. The government had the courage to face powerful resistance and pass laws to benefit the people, who can no longer be manipulated. We have also created unemployment insurance and a salary with an escalator clause in view of the [words indistinct] of the minimum wage, which has experienced unprecedented increases in Brazilian history.

Yesterday, at Planalto Palace, we established regulations for unemployment insurance and drafted bills creating labor courts in Campinas and Rondonia. We have created more than 100 reconciliation and trial boards in order to expedite the administration of labor justice. Therefore, the government, on this date has a clear conscience regarding the workers. The government is able to shake everyone's hand and we can celebrate this date, Labor Day, together because we are aware that together, we are working for the well-being of heroic and anonymous workers throughout Brazil. Thank you very much. Good evening.

SARNEY ITINERARY FOR UPCOMING TRIP NOTED

PY010348 Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Apr 86 p 10

[Text] Brasilia -- Nearly 100 Brazilian businessmen will accompany President Sarney on his first trip outside the American continent, during his visit to Portugal and Cape Verde. In Portugal Sarney will be made a member of the Lisboan Academy of Sciences and Literature, receive an honorary doctor's decree at the University of Coimbra (a degree that has only been granted to two Brazilian presidents before Sarney, Juscelino Kubitscheck and Tancredo Neves), visit the city of Porto, a commercial and industrial center for which most Portuguese immigrants to Brazil came, and the city of Guimaraes where Alfonso Henriques, the first Portuguese king, was born.

Sarney will leave Brasilia on 3 May at 1800 and is scheduled to arrive in Lisbon on 4 May at 0030. On 9 and 10 May, Sarney will vist Cape Verde, a former Portuguese colony in Africa. Brazil was one of the first countries to recognize Cape Verde's independence. Sarney's return to Brasilia is scheduled for 10 May at 2235. Foreign Minister Abreu Sodre, Culture Minister Celso Furtado, and the chief of the military household, Bayma Denys, will accompany Sarney on his trip.

OFFICIALS DISCUSS MONEY LAUNDERING IN PARAGUAY

PY291911 Rio de Janeiro O GLOBO in Portuguese 27 Apr 86 p 38

[By Joel dos Santos Guimaraes]

[Excerpts] Foz de Iguacu/Asuncion -- More than $150 million (2 billion cruzados), which was obtained illegally through fraud, tax evasion, smuggling and drug trafficking, has been sent out of Brazil after the implementation of the economic stabilization program. The money has passed through banks in Paraguay, according to an official of the Federal Revenue Department. An official of the same organization also admitted that approximately $500 million leaves Brazil each year through the same channels.

When the economic stabilization program put an end to the very large profits provided by the financial market, hundreds of Brazilians transferred huge fortunes to Europe and the United States through the various branches of international banks that are located in Asuncion, Paraguay's capital, which is now called the "Switzerland of the Southern Cone." The charge has been made by a source from the Superintendency of the Parana State Federal Revenue Department, who estimates that more than $150 million has fled Brazil and been deposited in Paraguayan banks after the implemetation of the economic program.

Marco Aurelio Busse Preira, Federal Revenues agent in Foz do Iguacu, said: In Paraguay, the legislation does not require a declaration of the origin of money entering the country if it is to be deposited in local banks. So that is the alternative that has been found by tax evaders, by those who made fortunes by diverting rural credit funds, or by faked import operations, to keep their dollars out of the Internal Revenue Office in Brazil."

An official of the Bank of Brazil in Asuncion estimates that at least 12,000 Brazilians have accounts in the agencies of the 23 banks that operate in the Paraguayan capital. He said that "since most of those banks are branches of European or U.S. banks, one can easily gather that the dollars come via Paraguay to be deposited in Miami, New York, Panama, or the Caribbean."

According to the Federal Police in Sal Paulo, the large depositors in the banks in Asuncion are businessmen, ranchers, exporters, smugglers, and drug traffickers.

According to Vanderlai Antonio Caramori [identified in an omitted passage as Foz do Iguacu-based broker in illegal bank operations between Brazil and Paraguay], because of Paraguay's economic problems, the government there is exercising more control over the banks, which, he said, have recently transferred to Panama, New York, and Maimi $300 million owned by Paraguayans -- members of the government, military officers, and ranchers. Caramori then said that "today, when the amounts of money are large, the depositor, especially if he is a drug trafficker or smuggler, should first contact the banks in Asuncion, buy land, or make some other investment in Paraguay."

In this way, Caramori added, the investor pleases the Paraguayan authorities by leaving some money in the country, and he has a legal document -- the land deed in this case. Then the investor will not arouse the suspicions of the banks, which avoid doing business with smugglers and, in particular, with drug traffickers.

An official of the Bank of Brazil agency in Asuncion confirmed that the U.S. central bank [as published] recently levied heavy fines on two U.S. banks that have agencies in Asuncion, for having accepted deposits of millions of dollars from Brazilians and Paraguayans without knowing the origin of the money. The official said: "The depositors were members of a cocaine trafficking ring."

Caramori has a timber industry and a "brokerage" office in Paraguay. He said: "My office is well-apointed, and I use it as a place where I can drink whiskey in the evenings with influential Paraguayans." Caramori said that in Paragyay all the banks have to play the competition game if they want to make profits.

ARMY CHIEF SEEKS JOINT MISSILE VENTURE IN SWEDEN

PY252125 Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Apr 86 p 4

[Text] Army General Leonidas Pires Goncalves will negotiate a military technology exchange agreement during a trip he will make to Sweden from 9 to 15 May. The Brazilian Army is particularly interested in a "joint venture" [in English] with the Swedish company that is developing a sophisticated guidance system for the "Otomat" missile -- which is produced by an European consortium (predominantly Italian and German) -- which the Swedish Armed Forces acquired a long time ago.

A Brazilian military mission that was visiting Sweden last year learned of the new coastal defense concept being used by the Swedish Army, based on highly mobile battalions that use both a missile system and long-range cannons. The report drafted by the Brazilian officers was completed late last year. In it they suggested that, as far as possible, Brazil should adopt the Swedish model. The Army Chief of Staff office (EME) is very interested in developing ballistic missiles. This is why it prefers the "Barracuda" project instead of the more simple "Astros 2" (multiple rocket launcher) which is currently being manufactured by Avibras [Brazilian Air Space Industry] in Sao Paulo.

NUCLEAR POWER AGREEMENT SIGNED WITH EGYPT

PY010400 Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Apr 86 p 15

[Text] Brazil will participate in the Egyptian nuclear program by exporting technology, equipment, and possibly complete power plants. In that regard, a cooperation agreement was signed yesterday between mines and energy minister Aureliano Chaves and Egyptian Electricity and Energy Minister Mahir Abazah.

Upon leaving Minister Aureliano Chaves' office, Mahir Abazah reported that Egypt plans to build three nuclear power plants to generate electrical power through the year 2000. An international bid is being held for the construction of the first nuclear power plant worth $1.4 billion. The United States, FRG, and France are bidding to build this plant, which will put out 1,000 megawatts and whose characteristics are similar to those of the Angra 2 [power plant] under construction in Rio de Janeiro. Mahir Abrazah said that Brazil may participate in the next bids provided it is capable of competing in the international market.

The cooperation agreement, which the Egyptian minister termed an "umbrella agreement," also contemplates a general exchange of services in the electrical power supply field such as construction of hydroelectric and thermoelectric power plants and the development of unconventional energy sources.

LABOR DAY SEES 720 ARRESTED, 3 CARABINEROS WOUNDED

PY020317 Paris **AFP** in Spanish 0159 GMT 2 May 86

[Excerpts] Santiago, 1 May (AFP) -- The Chilean military government reported tonight that a total of 720 people have been detained in the capital and 3 policemen were wounded with acid during the commemoration of Labor Day. The headquarters of the Santiago State of Emergency Zone has announced that the three wounded policemen are in serious condition.

Union sources have stated that during the day, which was characterized by violent confrontations between opposition demonstrators and police -- reinforced by Army troops -- dozens of people were wounded and union headquarters in Santiago and other cities of the province were raided. During the evening, there were sudden partial electricity outages in Santiago and other Chilean towns, including Vina del Mar and Valparaiso, while explosions were heard on the outskirts of town and barricades were erected in working class districts.

Most of the arrests occurred in downtown Santiago when combined forces repressed hundreds of people who tried to reach the Plaza de los Heroes, where the opposition National Workers Command [CNT] tried to hold a ceremony. Using truncheons, tear gas, rubber bullets, and water cannons the police and the military, armed with submachine guns, took over Bernardino O'Higgins Avenue, the city's main avenue, and dispersed the demonstrators, who were shouting slogans against General Augusto Pinochet's government. La Moneda, the presidential palace, was strongly guarded for several hours by a military and police unit which cordoned off the surrounding streets.

Submachine **gun** shots were heard along with the shouts of students, workers, women and shantytown dwellers, while tear gas permeated the center of Santiago, according to AFP's correspondents. Another workers' ceremony took place at the headquarters of the State Employees Association with the participation of the U.S. and Venezuelan labor attaches. Eduarto Rios, a maritime workers leader and the main speaker, said that in view of such a demonstration of madness, we reaffirm our commitment to seek overall agreement in order to recover our traditional freedom. Gabriel Valdes, president of the opposition Democratic Alliance, accused the police forces of brutally attacking people. The Christian Democratic leader said that we once again protest more energetically these ever-increasing violent actions of a regime that attacks its own people with weapons, because it has no other reason to remain in power.

4 HURT AS POLICE BREAK UP STUDENT MARCH

PY010357 Paris AFP in Spanish 0050 GMT 1 May 86

[Text] Santiago, 30 Apr (AFP) -- Four Chilean university students were injured today by rubber bullets fired by police when some 300 students marched toward the Education Ministry, demanding the end of the military rectors. Student sources have stated that Andres Rengifo, the president of the Students Federation of the University of Santiago, who was hit by a rubber bullet on his left ear, is one of the injured students.

Student leader Christian Berrios said that while they were walking up Alameda Avenue, Santiago's main thoroughfare, the group was attacked with rubber bullets and buckshot by agents of the militarized Carabineros police who arrested a dozen demonstrators.

Berrios reported that while we were marching in an orderly fashion, the police arrived and acted. They did not use tear gas to disperse us but shot rubber bullets at the group, injuring several students. Berrios rejected the Carabineros actions and announced that the students federation will file a criminal lawsuit against the people responsible for the actions. There has been a tense atmosphere and student violence in Chilean universities for a month. The students demand the end of the military intervention at the universities and the democratization of the academic staff.

ANC ISSUES 'CHILE'S DEMAND' FOR DEMOCRACY

PY291533 Madrid EFE in Spanish 1957 GMT 28 Apr 86

[By Luis S. Saavedra]

[Text] Santiago, 28 Apr (EFE) -- Two and one-half million workers out of a labor force estimated at 3 million have agreed to give General Augusto Pinochet's government a deadline for answering the so-called "Chile's Demand". This document was approved on 26 April by the National Civic Assembly [Asamblea Nacional de la Civilidad -- ANC], an organization of the top leaders of the country's most important social organizations.

In one of its final resolutions, the assembly agreed that on 31 May "it will make an evaluation and then adopt definite decisions." It also expressed support for "all types of peaceful mobilization that are being conducted demanding that answer," according to Juan Luis Gonzalez, president of the ANC and leader of the University Professional of Chile [Profesionales Universitarios de Chile].

The document that has been approved establishes that the assembly has agreed "to put into practice, without delay, various measures that will apply pressure. The measures will be peaceful and general. No means of applying pressure will be excluded. The government will be expected to answer 'Chile's Demand'." Gonzalez explained to EFE that "this 30-day waiting period, which will be used by the various organizations to conduct various types of action aimed at demanding an answer, could be shortened at any time if the government responds with repression against any of the 18 national organizations that have signed the Demand."

The ANC is sponsored by the Federation of Professionals. For the first time in 13 years of military rule, the most important nationalleaders of 18 social organizations are included in a single organization. The ANC comprises 272 leaders of the most important national civic organizations, including the Democratic Workers Central [Central Democratica de Trabajadores], the Teachers College of Chile [Colegio de Profesores de Chile -- CPCH], bus owners, the Confederation of Businessmen [Confederacion de Comerciantes -- CC], the Association of Academicians [Asociacion de Academicos -- AA], federations of university students, and 23 professional associations.

Meeting on 26 April at the retreat of the Jesuit Fathers, in the absence of official authorization to hold it in a public place in Santiago, the ANC unanimously approved "Chile's Demand" which will be submitted to government authorities at Government House very soon. ANC President Gonzalez has announced that 18 social leaders will hand in the document. After unanimously approving the text of the document, the main leaders of the organizations made speeches to ratify their support for the document, promising that they would promote it, and acknowledging that the ANC was a valid body to seek overall agreement.

"Chile's Demand," which Gonzalez termed as "perhaps the last great civilian effort to seek a peaceful outlet to the Chilean crisis," contains the sectorial aspirations, in synthesized form, of each of the country's most important social organizations. After listing the aspirations of each representative sector, the Demand concludes by stating that "we solemnly agree to demand democracy, because we aspire to coexistence in freedom, based on the desire of the people and on Chile's right to free self-determination." The participants unanimously agreed that "we need a government that has extensive popular support and a solid democratic representativelty to resolve the national cirsis without a fratricidal confrontation."

The ANC states that "the current government lacks civilian support and its legitimacy is being questioned by the people. There is no other way than resorting to the people's will regarding the nation's future." According to the statements of political, social, and religious organizations, three documents have been drafted with the approval of 'Chile's Demand," these contain just one aspiration: democracy. The other aspirations regarding a solution to what they call the moral crisis, are contained in the most recent document issued by Chile's Catholic bishops. The political sectors unveiled their "National Accord for the Transition to Full Democracy" 6 months ago.

BOMB KILLS HIGH-RANKING MIR LEADER PENAILILLO

PY302220 Paris AFP in Spanish 1747 GMT 30 Apr 86

[Text] Santiago, 30 Apr (AFP) -- The police today reported that a high-ranking Chilean leader of the proscribed Movement of the Revolutionary (MIR) was killed by a bomb in the city of Villa Alemana, 70 km west of Santiago. Ana Luisa Penailillo, a professor and sociologist, who was sought by the security services of the military government, is one of two victims. The bomb, which went off on 28 April, also killed another MIR member, Juan de Dios Tapia Delgado. The sociologist, who spent a few years outside Chile and returned clandestinely, was closely linked to the top MIR leader, Andres Pascal Allende, who is currently in exile, the official report added. According to the sources, the bomb went off in a MIR hideout. The MIR advocates popular rebellion against the government of General Augusto Pinochet.

DEL VALLE DISCOUNTS REPORT ON SPY RING

PY291902 Madrid EFE in Spanish 1751 GMT 28 Apr 86

[Text] Santiago, 28 Apr(EFE) -- Foreign Minister Jaime del Valle has said that the reports on the alleged existence of a Chilean spy ring in Argentisnare contradictory. According to international press agency reports, and espionage ring, in which a Chilean Army officer is involved, was discovered in Neuquen, Argentina. These reports also say that some members of the spy ring are in prison in Neuquen, 1,500 kilometers southwest of Buenos Aires. Minister del Valle said that the Foreign Ministry received reports last Saturday but that they are confusing, fragmentary, and lack details. The newspaper EL MERCURIO, which cites a military source without identifying it, indicates that complete information is not available, and adds that its source "minimized the importance" of such reports. EL MERCURIO also added that the Army source has said that taking the hypothetical case that the reports are reliable, the alleged participation of a Chilean officer in such an operation must be flatly denied.

VIOLENCE, ARRESTS MAR MAY DAY CELEBRATION

PY011801 Asuncion Radio Primero de Marzo in Spanish 1545 GMT 1 May 86

[Excerpts] The Workers Interunion Movement [MIT], which is made up of independent unions, today commemorated May Day. Msgr Mario Melanio Medina and other bishops celebrated an MIT-sponsored mass at the Cristo Rey Church. After the mass, the MIT workers staged a rally on the church's premises. The rally ended at 1020. The demonstrators then left the church and peacefully attempted to march to the Plaza Italia.

However, a large police force prevented the demonstrators from reaching the Plaza Italia. The police squad used two water cannons to spray the demonstrators with water mixed with chemicals. The chemicals they used were reddish in color and irritated the skin and eyes.

Several reporters were brutally beaten. Reporter Armando Rivarola and a photographer of the newspaper HOY are among them. After Rivarola fell to the ground, the policemen continued to hit him. Two reporters of Radio Charitas, Julio Cesar Zamphiropolos and Oscar Caceres, also were beaten. The police used water cannons, tear gas, and truncheons, forcing the demonstrators to seek sanctuary in nearby houses. The police force, led by Officer Alejandro Florentino Schreiber, dealth blows to men and women alike.

Peasant leader Marcelino Corazon Medina was bleeding when policemen continued to beat him inside a police van. Neighbors of the Cristo Rey Church opened their doors to the demonstrators. It should also be reported that Alberto Alderete, a leader of the Law School, has been detained.

OPPOSITION PARTIES SCORE RADIO NANDUTI ATTACK

PY010342 Asuncion ULTIMA HORA in Spanish 30 Apr 86 p 10

[Text] Senator Osvaldo Vazquez, member of the PLR [Radical Liberal Party], has noted that "we can only express our solidarity with the people at Radio Nanduti, and particularly, with its director, Humberto Rubin, in view of the vandalism and uncivilized attack to which it was subjected." The PLR leader noted that "we know that this aggression against Radio Nanduti was perpetrated because the station fulfills its constitutional right to inform the public and to work and preach in favor of the restoration of full democracy in the country."

He added that "the PLR expresses its solidarity with Radio Nanduti and urges all citizens to close ranks behind it so that upcoming tasks and struggles will find us united behind the ideals of freedom and democracy, ideals which the entire country should aim for." Vazquez noted that "the national authorities have not yet taken any precautionary measures to avoid incidents of this nature. It is because of this that the 'hoodlums' who make up these groups are encouraged to continue their nefarious activities."

For his part Miguel Angel Martinez Yaryes, president of the PLRA [Authentic Radical Liberal Party], and acting leader of the National Accord, said that "the attack against Radio Nanduti is a treacherous and indignant act. This only goes to show that we are confronting an escalation of violence that has been unleashed against all citizens, and against the national mass media."

Martinez Yaryes added that "there is no doubt that parapolice were involved in this attack. These group go completely unpunished, and its seems as though they have police protection because Radio Nanduti personnel requested police protection before the attack, but the request went unanswered." He noted that "it is very odd that these hoodlums come out just as certain newspapers are reporting on the situation the country is experiencing. They come out to harass the press which is courageously reporting about the real situation the country is confronting."

Moreover, Martinez Yaryes said that "all this is in addition to the attitude that the ruling government party has taken against U.S. Ambassador Clyde Taylor, who is being repudiated for his contacts with all citizens' sectors. However, they have nothing to say when [foreign] politicians, mainly from [Argentina's] Justicialist Party, come here and praise them or praise the government. No one speaks of intervention in domestic affairs then."

Cesar Baez Samaniego, spokesman of the Febrerista Revolutionary Party [PFR], has also expressed his repudiation of the attack against Radio Nanduti. Baez noted that "it is truly shameful that government property is being used to harass persons and destroy private property." He added that "if this is the sort of peace that the ruling party is offering us, this means that they are offering us the peace that reined during the stone age, the symbol of which was the cudgel, the cudgel that is being used to beat innocent and defenseless citizens."

Regarding the same incident, Carlos Ferreira Ibarra, general secretary of the Liberal Party [PL], noted that the PL believes that the vandalistic attitude adopted by the parapolice hordes that attacked Radio Nanduti, firing different guns and endangering the lives of those journalists who were working at the radio station, is a repudiable act." [quotation marks as published]

Ferreira Ibarra noted that "the truth must be told, these groups are encouraged by the executive branch itself which calls them 'moderators' [in his 1 April speech, President Stroessner called Chacarita Colorado Party Precinct Leader Ramon Aquino, a student moderator, referring to his controlling student demonstrations]. Since then, there have been constant aggressions which pose a threat to all citizens."

The PL leader also said that "we now wonder what happened to the famous peace and tranquillity that the regime untirelessly preaches for the four winds at a time at which these parapolice groups can attack without being punished."

CARTAGENA GROUP SIGNS AGREEMENT ON NARCOTICS

PY011652 Lima Television Peruana in Spanish 0100 GMT 1 May 86

[Excerpts] Peru and representatives of the Cartagena Agreement group today signed an important agreement, which is named after Rodrigo Lara Bonilla, the late Colombian minister who was assassinated by drug traffickers. It provides for a joint campaign against drug trafficking by the countries that make up the Cartagena Agreement. The ceremony was held in the Golden Room of Government Palace in the presence of President Alan Garcia Perez.

[Begin Garcia recording] The Peruvian Government asked that the signing of this agreement to fight drug trafficking be held here in the main hall of the Peruvian Government House so that it could reaffirm its commitment to and its understanding of the moral significance of our democracy. We believe that without ethical content and roots, democracy is like a tree without a strong base, even if it promotes material progress.

Therefore, we wanted to emphasize the importance of the signing of this agreement, thus adding our efforts to those of the brotherly countries and governments in order to jointly fight for the eradication of the scourge represented by the consumption of and trafficking in drugs, which poison our youth. Also, on the second anniversary of his death, we wanted to pay homage to Rodrigo Lara Bonilla, a man who, in the words of our brother President Belisario Betancur, was the epitome of the intelligence and moral commitment to the democratic values of the great country of Colombia.

We must fight this scourge together, because the success of the drug trade is the result of the unity of those who trade in drugs, which are the only Latin American raw material whose prices have increased on the international markets where the prices of our other products have declined. We must fight it together because drug trafficking is the only successful multinational operation in Latin America, because it is an operation that has sorrily proven that integration for evil ends can be successful. This is why we must give a concerted answer to this problem. Out of a strict moral conviction and ethical concern, we are now engaged in a fight against drugs, which have deleterious consequences on the youth of other countries beyond Latin America. This is not a problem that affects us socially on a large scale, but it does affect us as part of the mankind that we are. [end recording]

25 ARRESTED IN MEXICO CITY MAY DAY RIOTS

PA012038 Paris AFP in Spanish 2004 GMT 1 May 86

[Text] Mexico City, 1 May (AFP) -- Approximately 25 persons, most of them injured, were arrested today in the Mexican capital as approximztely 1,000 members of independent unions tried to join the government-sponsored march that paraded in front of President Miguel de la Madrid to commemorate labor day, as AFP was able to ascertain.

The dissidents clashed with the police when policemen tried to bar them from entering the streets used by the unions affiliated with the (progovernment) Labor Congress to march toward the National Palace, headquarters of the executive branch located in the city's downtown sector.

A thick police cordon that literally cordoned off the downtown sector and barred passage to the independent unions used sticks and clubs to repel the demonstrators, who chanted: "We do not want goals, we want beans," an obvious allusion to the World Cup Soccer games to be held in Mexico in June.

The injured -- who, according to preliminary reports included a cameraman of a state-run television station and three policemen -- were taken to various hospitals, but nothing is known about their condition.

PEMEX SALES TO INCREASE TO 1.35 MILLION BARRELS

FL012134 Mexico City NOTIMEX in Spanish 2045 GMT 1 May 86

[Excerpt] Mexico City, 1 May (NOTIMEX) -- With the sale of 1.35 million barrels of crude oil daily contracted for the month of May, the increase in exports that Pemex experienced in April will continue. Pemex Director Mario Ramon Beteta said today. He said that the sales pledged for this month will be the largest so far in 1986 because the demand for Mexican crude lessened during January, February, and March.

Mario Ramon Beteta said that Mexico will continue to sell as much crude abroad as it can; he acknowledged that it will not meet the goal of 1.5 million barrels daily established for the present year.

CONASUPO TO SUPERVISE MARKET OF STAPLE PRODUCTS

PA301751 Mexico City XHDF Television Network in Spanish 0300 GMT 30 Apr 86

[Text] The Mexican Government will not tolerate inefficiencies or speculation in the market of staples, President Miguel de la Madrid said today. Alfonso Gomez reports:

[Begin recording] [Gomez] President de la Mardid stressed that through Conasupo [National Company for Basic Commodities] the government will firmly supervise the utilization of the subsidies it grants. While presiding over a meeting of the Conasupo's Administrative Council, President De la Madrid said that there is no doubt that the subsidies have increased considerably, and that they do not always benefit the population with the lowest income.

The president added that in some cases those subsidies have been used improperly to increase the profit of private enterprises. At this working session, the Mexican president said that his government will see to it that the subsidies authorized are equitable, and that they really benefit the sector of the population they are intended to help.

[De la Madrid] We must admit that the subsidies have not always fulfilled their purpose. They have been distributed inequitably, not only among the social classes, but also among the country's regions. Many times the subsidies have benefitted the population in areas of high income levels, while they have not reached areas where they are most needed by the population.

[Gomez] President Miguel de la Madrid said that in a society like ours, the government must supervise and regulate the national market in order to benefit and protect the entire population. He stressed that the Mexican Government will not tolerate the return of speculative and inefficient practices that have previously characterized the market of staple products.

[De la Madrid] I believe that the criteria followed to establish Conasupo and the entities that were created after it are still current. There are still come insufficiencies or defects in the market's mechanisms that make it necessary for the government to play a regulating role.

[Gomez] President Miguel de la Madrid said that the participation of the private sector in the market of staples is welcome, as long as it is efficient and not speculative. He added that the Conasupo's intervention will be determined by the extent of the negative practices in the market.

President de la Madrid asked Conasupo's Administrative Council to report widely on its activities. [end recording]

COALITION PARTY FORMED FOR OAXACA ELECTIONS

FL292134 Mexico City NOTIMEX in Spanish 1920 GMT 29 Apr 86

[Text] Mexico City, 29 Apr (NOTIMEX) -- The leaders of the Unified Socialist Party of Mexico, the Revolutionary Workers Party, the Mexican Workers Party, and the Isthmus Organization of Workers, Peasants, and Students have decided to unite in an organization named Democratic Coalition. They said they are doing this to register together for the 3 August 1986 elections to be held in the southern state of Oaxaca.

The Democratic Coalition will present a candidate for governor and a single list of candidates for deputies under proportional representation.

BRIEFS

NEW SUPREME COURT PRESIDENT -- Carlos del Rio Rodriguez has been elected new president of the Supreme Court of Justice. [Summary] [Mexico City XEW Television Network in Spanish 1300 GMT 29 Apr 86 PA]

NEW AMBASSADOR TO COSTA RICA -- Mexico's new ambassador to Costa Rica, Jesus Cabrera Munoz Ledo, will present his credentials to Costa Rican President Luis Alberto Monge today. [Excerpt] [Mexico City NOTIMEX in Spanish 1725 GMT 29 Apr 86 FL]

COSTA RICA

MONGE'S LAST ADDRESS TO LEGISLATIVE ASSEMBLY

PA020115 San Jose Radio Reloj in Spanish 2119 GMT 1 May 86

[Address by President Luis Alberto Monge to the Legislative Assembly in San Jose -- live]

[Excerpts] This is my last report to the Legislative Assembly as president of the Republic. I thus comply with the provisions of the Constitution, and with this official ceremony I renew my absolute faith and trust in the mechanisms of control and balance of powers of the democratic regime of Costa Rica. On 30 April 1982, shortly before I took over the serious responsibilities that the people generously entrusted to me when they elected me president of the Republic, I addressed the nation to present the National Emergency Plan of the first 100 days of my administration. At that time, I said: By the sovereign will of the voters, I will take office on 8 May, but this will not be just another administration in the history of Costa Rica. We are entering the most difficult administration of this century. The Costa Ricans must be aware of this fact.

Just a few days later, when I took the oath of office as the 46th president, I solemnly promised to preserve the peace, social justice, freedom and democracy of Costa Rica for everyone. On that day, I was filled with emotion and love for my people, and I renewed before the altar of the fatherland the only four commitments I had made to the Costa Ricans during the electoral campaign: A commitment with production to offer housing and food; a commitment with social justice, as there cannot be tranquillity or security if there is poverty; a commitment with democracy, as there cannot be progress without freedom; and a commitment with ethics in public administration, as the people cannot be moral and confident if they do not have a good example from their rulers.

Deputies: I am today reporting on my work as president of the Republic. I am doing this in a humble manner and respectful of the top power of the Republic, I am doing this with deep love for the Costa Rican people. Allow me in the first place, to recall the situation prevailing in our country during those days of national anguish and despair that came prior to 8 May 1982. I received the Presidency of the state when the country was deep into the worst economic, moral, and political crisis of the last 40 years. On the eve of the constitutional transfer of power of 1982, Costa Rica was on the verge of bankruptcy. Only black clouds hovered over our fatherland. Therefore, the people had entrusted me with serious and deep responsibilities when they elected me. There was a need for sincerity, objectivity, and realism, and that is how I addressed all Costa Ricans, regardless of political affiliation. I made an appeal for national unity and everyone's efforts in order to cope with the crisis and save the democratic institutionality of Costa Rica.

In the face of the crisis, I asked for national unity; a unity of all Costa Ricans in order to save the Republic, and at the same time, I asked for an unyielding faith in the ultimate fate of Costa Rica. That was my plea, and likewise that was my line of action as president of the Republic. The Republic's social peace was seriously threatened in May 1982. Today, 4 years later, I hand over a totally different Costa Rica. The economic and social situation has taken a 180-degree turn. The crisis is under control. The country looks at the future with hope, and even joy. We managed to guide the ship of state, to move away from the abyss, and place the nation's destiny in a historical context that today -- May 1986 -- has no relation with the Costa Rica we received in May 1982.

Our economic policy had three basic objectives: to achieve economic stability; to objectively and calmly move toward structural changes; and finally to achieve economic reactivation. Because of my political background, I was imbued by the current of economic development inspired by ECLA which was dominant in sectors of Latin American progressive and democratic thinking in the 1950's. Nevertheless, the crisis and its aftermath forced me, as president, to adopt a strictly realistic and pragmatic line of action. That has been this administration's economic philosophy, and I believe that we were not wrong. The facts and economic indicators so confirm it. They are there -- objective and cold -- as testimony that in 4 years a radical transformation and a qualitative change has been performed in our country, placing us, in May 1986, in a post-crisis phase. For that reason -- I proudly state so -- we are a singular and unique case in Latin America. Top worldwide economic and monetary authorities admit as much.

Regarding fiscal matters, the effort has been heroic. If we consider that the deep imbalance between expenditures and revenues put the fiscal deficit at approximately 16 percent of GNP as of May 1982, and that today the overall deficit of the public non-financial sector is less than 1.5 percent of GNP, we have a precise ideal, more eloquent than many words, of the work this administration has done in the fiscal sector. The adjustment has been of superhuman proportions. We have gone from bankruptcy to a healthy fiscal and financial balance. The work conducted to uplift the country's production and to achieve a significant growth in our export [word indistinct] sector has not been any different. Regarding this, 1984 was extraordinary. We achieved a 7.7-percent growth in the nation's production of goods and services. The positive growth trend was maintained in 1985; this is also the expected trend for 1986. In contrast with the chaotic and critical situation experienced in 1980, 1981, and 1982, when the country first went to zero growth, and then to negative growth rates, this also reveals Costa Rica's situation in 1986, on the eve of a new constitutional transition. The country stopped sliding backward and is now solidly and strongly advancing toward the future. Our economy's productive apparatus has fully recovered in 1986.

Our international policy has always been one of peace. This has been the government's most important political goal during these 4 years. Domestic peace and peace with dignity and full sovereignty expressed abroad. On proclaiming Costa Rica's perpetual and (?nonarmed) neutrality on 17 November 1983, I said: Costa Rica is not an economic power, nor can it be one. Costa Rica is not a political power, nor can it be one. Costa Rica is not a military power nor does it want to be one. Costa Rica is a spiritual power because the people exercise a living faith in the power of common sense, will, and morals. Great, powerful, and efficacious is Costa Rica's moral force. This force is spiritual in the deepest sense of the word because our small country, located in one of the areas of greatest conflict in today's world, succeeded in orienting and (?shaping) the joint opinion of 159 countries in the United Nations. The great and powerful said yes to peace. The small also said yes to peace. All countries on earth said yes to peace when they unanimously decided to devote the year 1986 to the noble cause of peace.

A policy of peace is the true and only policy in our times. Gentlemen Deputies, during this, my last message as president of the Republic to the Legislative Assembly, I hereby reassert each and every one of these words. A policy of peace is the true and only policy of our times. No other policy can exist for Costa Rica. Costa Rica's neutrality does not entail political and ideological impartiality. We have always been clear and definitive about this. Our neutrality has to do with armed confrontation between countries, and domestic military conflicts in other countries.

Ideologically, we Costa Ricans are freedom and democracy fighters. This is why I said when I proclaimed our country's perpetual, active, and nonarmed neutrality: Consequently, Costa Rica reaffirms its faith in the political and social concept that it has shared and continues to share with Western democracies. Costa Rica is a symbol of democracy and freedom in Latin America and it will continue to be one because the men and women of this people love and need freedom as they need air, indispensable for life. Neutrality, strict respect for the principles of nonintervention, free self-determination of the peoples, and absolute faith in the peaceful, political, and negotiated solution of the controversies have been the solid and daily pillars of this administration's foreign policy during these 4 years.

At the end of 1984, the foreign ministers of the EEC, Spain and Portugal met with those of the Central American and Contadora countries in San Jose. This unique, unprecedented summit meeting constitutes one of the most significant events for our international policy. Never before had the European countries' foreign ministers met in a country other than one of their own. They did so in Costa Rica. From this, a new political and economic relationship sprang up between the EEC and the Central American countries. The tangible benefits of this relationship today constitute a hopeful reality for our peoples.

Fulfilling one of the most important objectives of this administration, we have recovered Costa Rica's international prestige. Costa Rica's voice is heard respectfully in the United Nations, friendly Latin American countries, the OAS, the United States, Europe, friendly Asian countries, and countries of the so-called Third World.

It has not been an easy task. Costa Ricans have had to face extremely difficult moments during the past 4 years. Powerful forces put into action all their enormous resources against Costa Rica, but those forces lost the battle. Costa Rica was the winner. We defeated them. Today, a few days before the constitutional change of government, I am proud to report to this Legislative Assembly and Costa Ricans that our country's name shines very brightly in the international community, and that Costa Rica is liked and respected as a peaceful and democratic country.

Deputies, to know how to listen, is in my opinion one of the main duties of a head of state. Beware of the head of state that does not know how to listen to his people.

In a pluralist democracy like Costa Rica, the strength of its leader depends on adequately interpreting those who elected him and even those who did not vote for him. One does not assume the presidency of the Republic to rigidly impose one's own ideas. One assumes the enormous responsibility of honestly conducting the nation's destiny. In Costa Rica, prudence and moderation are virtues the president must practice every day. Therefore, before he makes use of the institutional mechanisms of the government, he should first carefully listen to the people. It is not a matter of being weak nor of giving in to intolerance or anarchy. The power of ideas is always superior to all other human powers.

It is a matter of interpreting and guiding in an adequate manner the people's aspirations. It is a matter of being firm in governing, but at the same time, with the least amount of friction. It is a matter of preventing major damage and anguish to the Republic, due to a mistake from hasty action. For this reason, since 8 May 1982, I promoted dialogue and consensus as fundamental in my administration. I think I have lived up to this and that I have always been ready to listen, as have my closest assistants in the government.

I have listened to organized sectors, whether powerful or not powerful, and I have remained steadfast to the voice of the peoples. During the 4 years of my administration I have toured all of the country. I have talked with and listened to the people. I have always paid attention to the criticism of the news media. Dialogue and national consensus were obligatory norms of conduct of my administration and I am fully convinced that anyone can govern in a country that has a political and civil culture like those of Costa Rica.

Deputies, you will find the details of my state of the nation message in the partial reports which, according to the Constitution, the ministers and presidents of institutions will submit to the Legislative Assembly. In this message I have limited myself, as in previous years, to giving you my views on matters that in my opinion are the most important of my administration as president of the Republic. I respectfully ask you to take notice of the partial reports submitted by the ministers and executive presidents of the state's autonomous institutions.

Deputies, this is my last message to the Legislative Assembly. In 7 days, at 1200 on 8 May, I will turn the Presidency of the Republic over to my legitimate successor. The people expressed their will at the polls. The people elected in absolute freedom the future president of the Republic. As representatives of the people, I wish to express through you my gratitude to the Costa Ricans for the great honor of entrusting in me their confidence to run the destiny of Costa Rica from 8 May 1982 to 8 May 1986. I will never be able to repay such generosity. I will never be able to repay my people's kindness. I will always cherish these 4 years in which I expressed my profound love for my country.

Before God, before my people and my conscience, I think I have met my responsibilities with the people and my country. Deputies, together we have saved the fatherland. Together we have strengthened our system of life in freedom. Together and only together can we win the battles we still must wage in favor of production and against poverty. Together and only together can we fulfill the historical commitment to give future generations a Costa Rica in peace and freedom. Yes, in peace and freedom, but also a Costa Rica more just, more equitable, more united, and with fewer problems. Thank you. [applause]

MONGE CANCELS PLANS DUE TO RESPIRATORY AILMENT

PA011421 San Jose Radio Reloj in Spanish 0100 GMT 30 Apr 86

[Excerpts] A respiratory ailment has forced President Luis Alberto Monge Alvarez to cancel all his activities planned for today and tomorrow, Wednesday. The activities planned for today included the ceremony to receive the credentials of the new Mexican Ambassador Jesus Cabrera Munoz Ledo, which was postponed. The doctors said he must rest for 2 days so he can attend the 1 May events without problems. They said an excess of activities in the past few weeks has affected his health. The president has been visiting different communities throughout the country in the past 5 weeks and he keeps a very busy agenda every day, which has been affecting his health.

FREE COSTA RICA MOVEMENT VIEWS TERRORISM

PA010412 San Jose LA NACION in Spanish 26 Apr 86 p 17a

["Paid advertisement" of the Free Costa Rica Movement]

[Text] Seriously wounded as a result of a terrorist action against the U.S. Embassy in San Jose, a Costa Rican worker lies in a hospital bed.

This is not the first time that extremist leftists and international communists have carried out criminal actions like this one against innocent Costa Ricans.

In 1983 the victims of such actions were civilian policemen, and the perpetrators, Marxist leftists, were tried and sentenced by our courts. The explosion of a bomb in the Sahsa Airlines office and the Honduran Embassy prompted our government to expel two Nicaraguan diplomats accredited in San Jose, who were thought to be accomplices of this criminal action. The explosion of a device in a parking lot near the Government Ministry, while the bomb was being carried by persons linked to the Managua dictatorial regime, once again marked the intervention of international communism in acts of terrorism in our homeland.

The mutilation of several young Americans by a bomb lobbed at their car in the Los Yoses neighborhood was another brutal action by the far leftists. Does anyone still entertain any doubt about who fans the fires of terrorism in our homeland? For months in this section we have reported the constant travels of Costa Rican Marxist extremists to Libya, the birthplace of international terrorism. The Costa Rican Government itself has learned about the return of a group of Costa Rican extremists after they stayed in this country more than 3 months. It would be stupid to ask what they were doing there!!!

In Managua there are training camps run by Libyan, Cuban, and German experts. Such training is aimed at exporting their criminal knowledge to the rest of Central America. The attack against the U.S. Embassy is but the payment of the fees by those who have enjoyed the friendship of dictator Al-Qadhdhafi. Such an attack is also a servile and criminal way to ingratiate themselves with the dictator in order to receive new tidbits in the near future. The extremist criminals who set explosive devices in our homeland, not caring whether men, women, or children are seriously wounded, are the same criminals who, with a similar criminal's mind, dynamite aircraft, machine-gun airports, and plant bombs in public places disregarding the lives of hundreds of innocent people.

Criminal terrorism is back! As in the past, the Costa Rican people must be prepared to confront this new escalation of Marxist extremism. Every citizen must become vigilant and report to the authorities these godless and insane criminals without a homeland! We must open our domestic eyes to the covert activities that the Soviet and Nicaraguan Embassies and local groups of extremists carry out in our country. We should also pay attention to reports about identification documents held by foreign communists, as happened in the case of a well-known Salvadoran extremist who carried a Rural Police identification. How many others are in such a situation?

The threats against U.S. interests in our country are but an order that the local salaried have received from their bosses abroad! Unfortunately, this campaign is stupidly orchestrated by some politicians who pose as democrats. They only play into the hands of the true enemies of democracy and peace. The threat to bring violence and Marxist crime to the transfer of power ceremonies can also be a watchword for international communists and their local accomplices to sabotage Costa Rican democracy's ceremony, which our people freely commemorate every 4 years. We cannot ignore the fact that such actions, such as the latest against the U.S. representation, greatly discredit our country's image abroad. This is what the Marxist extremists want.

It has also been proven that, regardless of the many neutrality campaigns that some want to announce in Costa Rica, the extremists could not care less when what is involved is an order from their masters! Neither can we democrats, who form a majority in this country, allow a small group of hoodlums and criminals to topple the institutions that we Costa Ricans have built over generations with so much effort.

We might as well act now so that we will not have to decry in the future what we could not defend like men! Only in this way we will not be ashamed to look our children in their eyes!

The La Cruz murder and this attack have been perpetrated by sick minds that must be severely punished and completely exposed. The authors of these attacks must be identified and the severest penalties applied to them. Only in this way can peace be restored in the homes of the Costa Rican people.

LA NACION ON NICARAGUA-LIBYA 'CONNECTION'

PA012235 San Jose LA NACION in Spanish 23 Apr 86 p 14A

[Editorial: "Libya in Central America"]

[Text] Terrorism initiated in Libya and spreading form this epicenter to the Middle East, Europe, and Latin America, is not an isolated or distant event. Libyan terrorism is only a few kilometers from Costa Rica. The Nicaraguan regime, which is protected by Mu'ammar al-Qadhdhafi and is at his service in Central America and the Caribbean, brings Libyan terror to the Costa Rican border and, given the expanionist nature of all Marxist-Leninist governments, introduces it into the national territory. In this regard, President Monge's belief that the recent terrorist incident in front of the U.S. Consulate could be part of a Libyan strategy might well be true.

Therefore, when the subject of national security is thoroughly analyzed, the connection between Libya and the Nicaraguan Government cannot be ignored without the risk of making a crass mistake in judgement: Added to other terrorist epicenters created in the last few years, it puts Costa Rica in a dangerous position. As a matter of fact, Nicaragua has become a refuge for international terrorist groups such as the Italian Red Brigades, the Basque Fatherland and Liberty (ETA), the FRG Badder-Meinhof group as well as agents from typical terrorist states such as Iran and those from the PLO.

The Colombian Army recently charged that Nicaraguans, or terrorists trained in Nicaragua, were among the guerrillas in that country and that honors had been bestowed on Colombian terrorists and guerrillas in Managua. This was not an act of propaganda against the Sandinist government but the result of the internal logic of any totalitarian regime.

The Libyan-Nicaraguan connection has been confirmed in the last few years with a great deal of verbal and factual proof. From the outset of the victory of the revolution in 1979, the ties between Mu'ammar al-Qadhdhafi and the Nicaraguan commanders were strongly bound, through their own efforts or through the PLO. Tomas Borge and Moises Hassan were the authors of this political-military alliance, whose first financial result was a $100-million loan in 1981 during a lavish celebration in Managua of the 11th anniversary of the expulsion of the U.S. Air Force bases from Libya. On that occasion, Nicaraguan Vice President Sergio Ramirez said in his speech: The ties between the Libyan people and the Nicaraguan people are not new, but they became stronger when the Sandinist Front was fighting on the battlefield. The solidarity of the Libyan people, the Libyan Government, and of Comrade Mu'ammar al-Qadhdhafi was always evident, but this solidarity became a reality, it became effective and more fraternal since the victory of our revolution.

Further on in this anthology or exchange of compliments, the backdrop of which is always tragic or fatal, Mu'ammar al-Qadhdhafi said on 1 September 1984: "Libyan fighters, weapons, and support for the Nicaraguan people were sent to you because you are fighting with us; you are fighting the United States on its own terrain." To which Interior Minister Tomas Borge -- in Tripoli -- immediately replied with terrorist eloquence, revealing the essence and objectives of the Managua regime: "Our friendship with Libya is eternal...Libya is a country that, according to our experience, has developed a solidarity that goes beyond borders. Even before the victory of the Nicaraguan revolution, we received the support of the Libyan Jamahiriyah and, after that, we had the opportunity to speak and deal with our great friend Mu'ammar al-Qadhdhafi."

This fraternity between terrorists or, better said, this Sandinist apprenticeship at Mu'ammar al-Qadhdhafi's school, is not merely rhetorical. It is being put into practice in Nicaraguan territory, in the genocide of the Miskitos, in institutionalized terror, on Salvadoran land, in the systematic violations of human rights, and on Colombian soil. That is the reality of our neighbor to the south. Contadora has shied away from making this analysis, but Costa Ricans cannot avoid it and cannot put off the necessary measures of precaution that must be taken by an unarmed and peaceful country so as to contain the aggression, direct or indirect, produced by the fanaticism and ideology of a warmongering neighbor.

EL SALVADOR

PA011620 San Salvador Radio Cadena YSKL in Spanish 1554 GMT 1 May 86

[Official Coprefa communique, date not given; read by unidentified announcer]

[Text] Air Force plane suffers accident. At 0432 today, a DC-6 transportation plane of the Salvadoran Air Force bound for Panama experienced mechanical problems 2 minutes after it departed from the Ilopango Military Air Base. The aircraft crashed, causing the tragic death of its 37 occupants, including Lieutenant Colonel Luis Mauricio Arevalo, the captain; Major Miguel Angel Aguilar, the copilot; Captain Carlos Roberto Albergue, the flight engineer; Sergeant Manuel de Jesus Menendez, mechanic; 29 mechanics students, and 4 students of the Armed Forces Intendency.

Venceremos' Report

PA020221 (Clandestine) Radio Venceremos in Spanish to El Salvador 0040 GMT 2 May 86

[Text] The genocidal Air Force sustained 37 casualties early today when a military airplane crashed north of Ilopango Airport. The dead include the following war criminals: Lieutenant Colonel Luis Mauricio Arevalo, third in command in the Air Force and chief of the paratroopers; Major Miguel Angel Aguilar, chief of the Air Force maintenance unit; and Captain Carlos Roberto Albergue. They were important cogs in the Duartist Air Force's genocidal machinery. The dead also include 29 Air Force mechanics and members of the military command who were traveling to the U.S. barracks in the Panama Canal area to receive further training. We are waiting for reports from our units in the zone and intelligence services, to establish all the circumstances which surrounded this event.

The loss of officers and personnel in the mechanical maintenance section represents a harsh blow to one of the most complex, but also weakest, structures in the war machinery that the Americans have organized in the Duartist Air Force. These 37 Air Force members, these 37 casualties sustained by the Air Force, should be added to the three helicopter pilots killed by revolutionary fire in Agua Zarca and San Idelfonso, plus another helicopter pilot wounded last month. Hence, the Air Force has sustained 41 significant casualties.

The situation has arisen while excessive use is being made of means and personnel, which have been weakened due to the expansion of the people's war. This in turn has increasingly forced the Duartist forces to bomb more and more cantons and villages throughout the country, including the very outskirts of San Salvador.

Air Force Commander Gen Juan Rafael Bustillo's voice broke when he arrived at the site where the DC-6 airplane had crashed, and he refused to confirm or deny whether the action was carried out by the FMLN guerrilla forces. Gen Bustillo did admit that the other aircraft which had previously been involved in an accident had in fact been shot down by the FMLN. Bustillo said that in case this is an accident, it would be the first one to be sustained by the Air Force. Bustillo left the Coprefa in a critical position because it had mentioned an accident due to metal fatigue when we shot down Monterrosa's helicopter. Every time we shoot down an Air Force aircraft, the Coprefa invents all kinds of accidents.

The death of six officers and pilots during the last month has reduced the list of war criminals who are clearly marked for the people's justice because of their genocidal actions against the population!

DUARTE ON FREEDOM TO HOLD WORKERS' PARADE

PA010419 Hamburg DPA in Spanish 0247 GMT 1 May 86

[Text] San Salvador, 30 Apr (DPA) — President Jose Napoleon Duarte said this afternoon that his government is neither repressive nor dictatorial and that this is why the workers' parade slated for tomorrow cannot be forbidden. Interviewed briefly while attending an official event at the presidential palace, Duarte also said that military intelligence has detected FMLN plans to infiltrate the march and provoke disorders or shootings.

Duarte asserted: If they get as far as that, the people themselves will unmask them, but the parade cannot be forbidden because it is a traditional celebration commemorated by the working class. He went on to say that, for this reason, the Salvadoran Army has taken preventive measures in order to control any movement of the far leftists. Only organizations that oppose the regime will march tomorrow, since the government's National Peasant-Worker Union, UNOC, has not organized any parade.

UNTS Stages March

PA020047 San Salvador Radio Cadena YSU in Spanish 1800 GMT 1 May 86

[Excerpts] Today some 125,000 peasants, workers, and students, members of the National Unity of the Salvadoran Workers, UNTS, marched through the main streets of the capital.

In the morning hours, UNTS union leaders protested, accusing President Duarte's government of trying to obstruct the gathering by increasing vigilance and allowing units transported by helicopters to fly over the demonstration area. A push-and-pull plane from the Salvadoran Air Force dropped leaflets near Cuscatlan Park, congratulating the working class in our country. This action was rejected and was the object of protests by the peasants who said this was just a propaganda campaign of the central government. Delegations of workers and religious representatives from the United States, Brazil, and Mexico participated in the march. Likewise, the UNTS reported the capture of Salvador Lopez Carballo [not further identified] who was captured with his wife at Km 11 of the Northern Trunk Highway. Finally the union leaders in statements to the workers gathered in Plaza Libertad presented a plan they intend to carry out, which consists of a 4-to-5-day strike, the date not specified.

GUATEMALA

PRESIDENT CEREZO DENIES ALLEGED COUP ATTEMPTS

PA011734 Panama City ACAN in Spanish 1617 GMT 1 May 86

[Text] Guatemala, 1 May (ACAN-EFE) -- President Vinicio Cerezo said today that in the 106 days of his government "there have been no coup attempts." Cerezo thus denied "reports made in the Mexican press to the effect that several coup attempts had been made," directed by members of the Guatemalan Army. Reports of "alleged military movements against me are false, " President Cerezo added, saying that "the Army is solidly united and is aware of the historic role it must play in maintaining peace and security."

Nevertheless, a Christian Democratic leader who did not disclose his name, told ACAN-EFE that a group of Army officers attempted a coup against President Cerezo on 6 April. That day tanks and artillery were mobilized in the capital near the government palace and the presidential house. The maneuver lasted 4 hours. Army spokesman Juan Francisco Cifuentes said at the time that they were "routine maneuvers by the presidential guard and part of the tactics to defend the government palace from any possible attacks." "Some Army officers have been arrested, but for lack of discipline and internal Army matters," Cerezo added. The Presidency's Secretariat of Public Relations, in a communique issued in regard to the reports in the Mexican publications, pointed out that those statements "are an effort to create a negative image of the Armed Forces as well as of the Christian Democratic government" in Guatemala.

'CLIMATE OF TENSION PERMEATES' LABOR SECTORS

PA011446 Panama City ACAN in Spanish 0320 GMT 1 May 86

[Text] Guatemala City, 30 Apr (ACAN-EFE) -- The relatives of missing political, student, and labor union activists staged a peaceful demonstration today to demand the prompt resolution of their problems by the government.

The relatives of missing political activists who compose the "Mutual Support Group" (GAM) ended a 22-hour vigil before the main entrance to the government palace. During the vigil the group of 850 people, most of whom were Indians from Guatemala's western highlands, urged President Cerezo to "investigate the kidnappings and murders committed by the Army" and "punish the military who are guilty."

First Lady Raquel Blandon Cerezo spoke with the GAM leaders for 15 minutes. She expressed "solidarity with their just, humane demand," and said her husband "is trying to put an investigations commission together."

The relatives of the political activists who have disappeared over two decades of military regimes -- which according to GAM number 40,000 -- rejected the first lady's proposal to wait and the idea of creating a commission that will make unilateral decisions. "We want a direct dialogue with President Cerezo, not with intermediaries, because he must define his position as to whether he is with the military or with the people who have been victims of repression," GAM leader Isabel de Castanon asserted. The protesters also oppose the appointment of Guatemalan Red Cross President Jorge Toriello Garrido and political leader Danilo Barillas as members of the commission to investigate the "detention-disappearances." "We will continue our struggle. We will be here in front of the government palace on Friday because we demand an answer from the president who promised to do justice," the GAM leaders stressed.

Meanwhile, approximately 50 members of the Guatemalan Confederation for Trade Union Unity (CUSG) burst into the legislative congress to "protest the high cost of living and reject the economic measures proposed by President Cerezo." The country's most important union opposes the salary policy that "the government drafted with the business sector" and is demanding a salary increase between 2 and 5 percent for the workers. The police did not intervene despite the violent nature of the union members' eruption in the hall, which they finally abandoned, but "left their testimony of repudiation," according to a statement by "CUSG" Secretary General Juan Francisco Alfaro Mijangos. The 500 high school students who stood displaying picket signs demanding that their "teachers give lessons" received their parents' support and said: "If the government ignores us, we will adopt more drastic measures." After demonstrating in front of the government palace, the students took over their high school, "where we will remain until the end."

A climate of tension permeates the country's labor sectors, marked by severe divisions between "independent and pro-government unions," political analysts have observed. During a general assembly the "CUSG" decided not to participate in tomorrow's "May Day" parade, although the "National Workers Front" [Frente Nacional de Trabajadores] (FENAT), labor wing of the Christian Democratic Party, will hold a rally.

The association of economics students of the state University of San Carlos, meanwhile, called for a "protest tomorrow against the Christian Democratic administration's bad measures." The situation can cause clashes, and "as we know that there is a plan to assassinate several union leaders, we will refrain from participating in any public event," Alfaro Mijangos stated today.

LABOR MINISTER'S MESSAGE ON 1 MAY OCCASION

PA012258 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 1 May 86

[Message from Ana Catalina Soberanis, minister for labor and social security, on the occasion of the International Labor Day; read by announcer]

[Text] Friends and workers: We Guatemalans will commemorate the International Labor Day tomorrow. For the first time in many years, we will do so in a climate of freedom and democracy and will openly voice our stances and aspirations without fear of repression, since we live in a democratic regime.

On this very important date, it is necessary for all sectors involved in labor problems to halt and ponder the value of the current process. Let us consider the importance of social stability during this initial stage of this government's term. On 8 December, by a majority, we Guatemalans chose dialogue and peaceful solutions to settle our problems by consensus, keeping in mind the people's interests as the government's first priority. This is why the government has demonstrated its conciliatory stance and its willingness to seek a consensus and foster solutions, accepted by most, through economic and social reorganization. We have proposed formulas to generate jobs, both in the cities and in rural areas. We have proposed the expansion of educational, health, security services, and roads for communities. We have initiated an active policy of wage increases beginning with the public sector. We are aware and admit that, prior to making our homeland satisfactory for all, we must clean it up and shift some things elsewhere. This is why our emergency program will last 1 year. This, however, does not imply that we have lost track of the fact that our basic goal is to create the conditions to deliver to Guatemalans within a few years a less unequal and more harmonious society possessing a degree of well-being and permitting each to meet his needs and feel satisfied with himself, his family, and his country.

In this framework, we have planned a more fair and humane tax system that puts each in his proper place in the homeland, which has already been cleared up. Good intentions, however, are not enough. All of us must do our duty to contribute toward this society that we long for. It is up to the government of the Republic to fulfill its responsibility, which consists of abiding by law, preventing the atrocities that could be committed, actively fostering economic and social recovery of the country and, in general, creating the conditions leading us to a better life. It is up to the private enterprise to invest in Guatemala, expand and maintain job opportunities, and pay workers adequately. It is the workers responsibility to defend and preserve their jobs, responsibly promote their own interests, and earnestly work to produce more and better goods, because this will allow them to gain access to consumer goods and meet their domestic needs. The news media must cooperate through healthy orientation and criticism so that we can find the best solutions for our problems.

Finally, all sectors should cooperate so this national political project can become a genuinely democratic reality. On expressing a fraternal and respectful greeting to workers, men, women, and children of this God-blessed land that we all love, I take the opportunity to encourage them to join us in an effort to make this political process succeed. In the end, this process represents a people's effort at recovering their genuine moral values in freedom and democracy.

Yours truly,

[signed] Ana Catalina Soberanis, minister for labor and social security

HONDURAS

AZCONA STATEMENT ON ECONOMY, BUDGET POLICY

PA292155 Tegucigalpa Cadena Audio Video in Spanish 1635 GMT 28 Apr 86

[Address by President Jose Azcona Hoyo at the Presidential Palace in Tegucigalpa -- live]

[Text] We will establish a procedure, if you agree to that, we will make a brief statement on the economic situation up to 31 December 1985 and some measures which have been adopted to reactivate our country's economy. We will also note the current situation of our economy, in certain sectors.

In 1985 the economy grew at a rate of 3 percent; nevertheless, when we took over the government we found a certain lack of internal balance and high unemployment, with a 1986 budget which showed a deficit of 632.8 million lempiras. The budget already included the use of savings from the oil bill, 3.7 million lempiras, and the increase in coffee prices [words indistinct]. Well, from this 632.8 million, 232.8 million will be covered with foreign aid and 280 million will be covered by internal financing.

The foreign debt of 4.88 billion plus interest on the same [words indistinct] capital and interest for 520 million lempiras for 1986. Referring to public expenses, in addition to the budget and what will be covered with the difference in oil prices -- which we will discuss later -- we are currently requesting financing for 45.5 million lempiras as follows:

Foreign Secretariat: We must strengthen our actions with the intention of winning the dispute with the Republic of El Salvador.

Supreme Court of Justice: It has requested an additional 6 million lempiras.

Communications, Public Works, and Transportation Secretariat: bridges for San Pedro Sula. The new hospital in San Pedro Sula will be refurbished and there is no access to the hospital, so we must spend 1.3 million lempiras to build an access bridge to the hospital.

The decree concerning a subsidy to the cattle sector is ready; according to this -- we will discuss this later -- the cattle sector will be subsidized so it may reactivate meat exports. This represents an expense of 5 million lempiras.

National Electoral Tribunal: It has requested an increase of 17 million, but I think it will get 7 million lempiras.

Medical statutes: The National Congress has approved the medical statutes and its regulations are now being established; this represents an increase of 10 million lempiras in the health sector.

Increase to higher education teachers: This was pledged by the previous administration, which agreed to an increase of 50 cents per hour to the higher education teachers' salaries. This represents an increase of 8 million lempiras.

Measures adopted by this administration

Fiscal and monetary policy: The current administration has adopted the following immediate measures. The government has established technical outlines so that the economy may grow 4 percent while keeping inflation under control. Measures have been adopted to control the budget, and instructions have been issued to reduce current expenditures. We would like to tell you that, for the first time in Honduras, the central government is taking appropriate actions to control the budgets and expenditures of the state's decentralized organizations. We have already reviewed the budget controls up to 31 March 1986; memorandums have been prepared and will be sent to the managers and presidents of those organizations so that they may enforce the necessary corrective measures in every one of those organizations' current expenditures.

Actions in the financial area have allowed an increase of 127 million lempiras in our foreign exchange reserves; a reduction of 29 million lempiras in the foreign exchange reserve fund [presa]; a reduction of the foreign exchange black market; and -- what is more important -- fulfillment the foreign debt pledges, thus eliminating the danger of a devaluation.

The 127-million lempira increase in our foreign exchange reserves since 31 December 1986 to date includes the 65 million lempiras that will be given to friendly governments and the improvement in foreign exchange rates have made it possible to give preferential credits to the production sectors under favorable conditions. The industrial sector has been bolstered with 8.5 million to carry out projects which are aimed at increasing exports, and the tourism sector has been given 600,000.

In addition, the use of special funds to encourage exports of nontraditional products was reactivated. A third credit for 74 million lempiras is about to be signed with the World Bank for the Industrial Development National Fund [Fondo Nacional de Desarrollo Industrial], to which the national government will contribute 22.2 million lempiras.

To counter unemployment, which is an important aspect of my government's policy, mechanisms to support the construction industry have been created with the issuance of 100 bonds worth million lempiras, and we are currently in the final phase of negotiations with U.S. AID to expand the credit coverage, particularly for the low-income levels, within the framework of the current government's housing policy.

To improve our financial image abroad, negotiations on our foreign debt are about to end with positive results, which will broaden our access to the sources of international financial aid. During the month of April, nearly $6 million in overdue interest has been paid to foreign credit institutions.

Oil: Regarding the distribution of the surplus resulting from the reduction in the price of oil, which has been estimated at approximately 70 million lempiras, it has been said that this surplus totals 160 million lempiras.

Analysts of the Economy and Finance Secretariats have informed us of the real situation. The surplus is not 160 million lempiras. We must consider that although the price of oil has dropped considerably, there has been no reduction in the cost of the refining, transportation, domestic transportation, and distribution of petroleum by-products and no immediate reduction is foreseen. In other words, a gas station charges a price for each gallon sold, it does not charge a percentage over the price of the petroleum by-products. The same principle applies to the local transporters of petroleum by-products. We have estimated that the savings for Honduras resulting from the reduction in the price of oil will be 70 million lempiras. Of this 70 million lempiras, 13.7 million had already been included in the nation's budget as oil differential.

In addition, with the reduction of the CIF price of oil, the income budgeted from oil imports has been reduced by 18 million lempiras. These are the prices charged... [changes thought] or the taxes levied on the CIF price of oil. With the reduction of the CIF price, we have lost, or will not collect, 18 million lempiras in taxes.

There is also a reduction of 8 million lempiras from the drop in the price of kerosene and bunker oil. In other words, the 70 million lempiras are reduced to approximately 30 million lempiras.

The economic cabinet, with the assistance of the oil experts in the Economy and Finance Secretariats, decided to distribute this income as follows:

In programs to create jobs through the Autonomous Municipal Bank, BANMA [Banco Municipal Autonomo], 8 million lempiras, which will be channeled to the municipalities for projects to generate manpower or infrastructure development projects.

Industrial Development Center, CDI [Centro de Desarrollo Industrial] : 5 million lempiras for the development of craftsmanship and small industries.

Education Secretariat: 3 million lempiras for the hiring of 600 more teachers.

The capital of the National Housing Institute, INVA [Instituto Nacional de la Vivienda], will be increased by 5 million lempiras, to be used in housing projects.

Two million lempiras will be transferred to the Honduran Central Bank to increase the capital of the transportation trust fund [fondo de fideicomiso del transporte]. Road construction projects: 2 million lempiras for manpower.

For the government's civic center urbanization project in Tegucigalpa, 1.5 million.

Capital contribution to the National Agricultural Development Bank, Banmadesa, of 2 million to be used in a credit plan for cotton production through a trust fund.

The total amount distributed is 28.5 million lempiras.

Cement: After completing the pertinent economic analysis, it was decided to reactivate Cementos de Honduras and to finish the fifth phase, for which 20 million lempiras will be issued in government bonds. Of course, this requires a previous agreement with the national and foreign creditors, and a revision of the contract with S.L. Smith [not further identified].

Cotton: It was agreed to disburse 2 million lempiras to guarantee a minimum price of 50 lempiras per quintal to cotton producers in the country, considering the manpower requirements for this activity in the southern region. It was also agreed to grant cotton producers an annual preferential interest rate of 11 percent. These measures will guarantee a cotton production of 10,000 manzanas.

Beef: To find an overall solution to the problem faced by the cattlemen and beef exporters, the government negotiated an overall program for the benefit of all, and it was agreed to establish minimum guaranteed prices for producers through fiscal measures, by subsidizing the price of beef by 12 lempiras per pound of cattle on the hoof. With these incentives, 60,000 head of cattle will be slaughtered, to produce 15.5 million pounds of export beef. This subsidy totals 5 million lempiras.

It was also agreed to reduce the interest rates for this sector to a preferential rate of 12 percent. Of course, this subsidy will fluctuate, depending on the price of beef in the international market as listed in the so called yellow sheets [preceding word in English, followed by the Spanish translation]/ The subsidy may be more or less, depending on the price of beef in the international market, and based on the price we mentioned before, which is now U.S. $0.98 [unit not specified].

Coffee: It was also agreed to return to the coffee sector the support funds they have been creating. From these funds, a credit of 4.5 million lempiras will be given to Fecocal [not further identified]. In addition, we have strongly and firmly supported international efforts at the International Coffee Organization, OIC, aimed at obtaining a significant increase in the Honduran coffee quotas. At this time, a Honduran delegation is in Washington with this purpose, and from there, it will depart for London. The Honduran president has sent a letter to the U.S. President asking him to continue to be part of the agreement, in order to benefit the coffee producing countries. We have already received a favorable reply to this request.

Lumber: In view of the fact that due to the reduction in price Honduras had lost most of its export markets, steps were taken to use the same export mechanisms used in the southern region in the northern region. This will result in a greater participation of the lumber enterprises, increasing the efficiency in the exports of this product. As a result of these measures, the [name indistinct] enterprise, which has been reporting losses of approximately 600,000 lempiras a year, will be closed. A 14-percent differential over the FOB price in favor of Cohdefor [Honduran Corporation for Forest Development] was established. Also in favor of Cohdefor, the Agua Fria Forestal Industrial Enterprise was sold, and the Comapa [not further identified] enterprise is on sale, for which the value of its assets has been determined.

Housing: In addition to the 5 million lempiras assigned to the National Housing Institute, INVA, with funds obtained as a result of the reduction in the price of oil, the following measures have been adopted: Government bonds totaling 100 million lempiras were issued to support the housing fund. The fund for the reactivation of the construction industry was increased by 1 million. Mechanisms are being implemented for the utilization of $35 million from the guaranteed housing investment plan promoted by U.S. AID [Agency for International Development]. In addition, through the INVA, the [word indistinct] in specific projects has been reactivated. All these actions have been conceived within the framework of the national housing project which the government has approved and implemented.

In the health sector, a national policy has been established. As part of this policy, the national plan for child survival has been implemented, and the first mass vaccination campaign was conducted.

In the energy field, we have prepared the diagnosis for the energy sector, together with the World Bank. The rural electrification plan at national level has been prepared, and with this we will start the most ambitious plan in Honduras' history.

Agrarian policy: We have established the basis in order to do a restructuring of the sector, which will allow the reorientation of resources of the National Agrarian Institute and the mass training of the Honduran peasants in the technical and productive fields.

Employment generation: The national employment plan has been started, as a government priority. The following actions have been taken as part of this plan:

An employment plan has been prepared, which encompasses in the first phase 134 projects that make intensive use of labor, at a cost of 52.3 million lempiras. These projects, to be carried out in 4 years, would employ 20,000. The second phase encompasses 70 projects for which the OAS has delivered the corresponding study, at the government's request; the investment programmed in 950 million lempiras.

We have begun to create 3,000 positions for foremen and workers in the Communications, Public Works, and Trasnport Secretariat for the maintenance of roads with manpower.

All of the measures that have been adopted in support of the productive sectors, such as the reorientation of the marketing of lumber, the cultivation of cotton, the marketing of meat, the cement industry, the financial support for BANMA, and the privatizing of public enterprises, will have a positive effect on the creation of jobs and the improvement of the people's income.

Education: As a demonstration of our determination to promote education in our country, we have created 1,100 new positions for elementary school teachers. It must be stressed that the number of new teaching positions is much higher than in previous years. This has permitted us to increase the enrollment to 807,000 pupils. Eight hundred classrooms have been built and contacts have been signed to build 300 more classrooms. The country's schools will be supplied with 14,000 additional desks and 700 blackboards.

Securing Foreign Resources

Donations: U.S. AID; program for services for economic stabilization, $35 million; program for services for economic stabilization, $32.5 million; program for creation of jobs, $6.3 million. Japanese Government: project for the control of malaria and dengue: $2.6 million. Total: $80.9 million.

Loans: The following loans have been signed: IDB: third phase of rural waterworks, $24 million. U.S. AID: agreement for the purchase of agricultural products, $15 million. U.S. AID: Agreement for export services, $200,000. BCIE [Central American Bank of Economic Integration]: share for Tegucigalpa-[name indistinct] project, $400,000. [Venezuelan Fund for Export Financing]: financing for imports from Venezuela, $20 million. Total: $90.6 million.

Other Measures of Immediate Economic Impact

Strict control of foreign exchange is being carried out and the essential needs are reviewed to grant the foreign exchange. In addition, concrete steps have been taken to effectively support the exports. The use of resources to promote and increase nontraditional exports has been revitalized by activating the $10 million and 48 million lempiras revolving fund that had remained unused in recent times. To reduce the fiscal deficit, measures to control the budget of the public sector have been taken. As I said earlier, this not only includes that of the central government but also of the decentralized institutions where there has been the greatest economic disaster in Honduras, especially in the increase of public expenditures. The Directorate General of Customs has been instructed to carry out an operation to control contraband through the land and sea customhouses. The Armed Forces provide effective cooperation for this task.

The drop in the international price of propane gas, LPG [liquified petroleum gas], has been transferred to consumers. The investment promotion committee has been reactivated. The study of the reforms of the export promotion laws, temporary import law, and other laws dealing with export industries has been begun. A number of measures have also been adopted to reduce the operating expenses in such areas as control over travel allowances both inside the country and abroad, the rationalization of the use of fuel, the use of bids for extra budget expenses, rational use of travel allowances and equipment, and other measures. We have specifically achieved better levels of expenditures in the Presidency of the Republic and in nonpriority expenses of the various state secretariats and decentralized institutions.

In general, all of the actions that have been carried out by this administration in the area of production and employment are in line with the national development strategy for the 1986-1990 period, which has already been drafted and which will be submitted as an integral part of the national development plan for the approval of the Higher Council of Economic Planning. All of these actions are included in the proposals that were opportunely presented by the National Council of Honduran Workers and Peasants, Conoch, and the Honduran Council for Private Enterprises, COHEP. Thank you very much.

NICARAGUA

PRESIDENT ORTEGA GIVES MAY DAY SPEECH IN MANAGUA

PA011735 Managua Domestic Service in Spanish 1546 GMT 1 May 86

[Speech by President Daniel Ortega Saavedra on International Labor Day at the Plaza of the Revolution in Managua -- live]

[Text] In 1886 U.S. workers were fighting for workers' rights. They were fighting for the 8-hour workday, and these workers' demands in the United States, heard worldwide, were logical and justified because under the regime of capitalist exploitation, the workers, regardless of how long they worked -- 10 hours, 12 hours, or even the 8 hours demanded by U.S. workers -- the effort of that work benefitted someone else. Who did it benefit? Who became rich by the sweat of the workers? [They worked] 8 hours, 12 hours, 16 hours, and 18 hours to enrich the capitalists, the privileged minorities, but never to benefit the workers.

For this reason, the workers' demand to reduce the workday to 8 hours was just. And in that heroic and sacrificial struggle labor leaders of those historic times were murdered following public trials put on by their exploiters. August, Lewis, George, Albert, Michael, Samuel, and Oscar were the labor leaders killed by the capitalist forms of exploitation that even denied the workers the right to express themselves, to protest, and to become organized.

Just like today, when we are commemorating this 1 May in free Nicaragua, the workers do not have the freedom to organize and express themselves in countries such as Haiti and Paraguay. And if we check the world map we would find that there are millions of workers who are being repressed on this day, at this moment, and at this precise time. They have no possibility to express themselves or are facing systems of oppression and exploitation.

The 19th of July was the historic victory of the workers in Nicaragua. For the first time in history the Nicaraguan workers seized power. For the first time in history the Nicaraguan workers had access to the communications media. For the first time in history the workers were free to speak and to act. For the first time in history the workers had the opportunity to participate in the co-management of their enterprises. For the first time in history, the workers had the real possibilities of access to health service, education, and housing.

This victory of the workers was achieved on 19 July 1979 with the FSLN leading the workers' struggle, with the FSLN as the party of the Nicaraguan workers, with the FSLN as unquestionable vanguard of the workers, peasants, and the Nicaraguan working people. This victory is not accepted by the U.S. Government.

We continue to confront the aggression of the United States and its traitorous accomplices who want to return Nicaragua to the system of exploitation and domination. The Nicaraguan revolution is facing an aggressive and adventurous U.S. Government, a U.S. Government that threatens world peace, a U.S. Government that carries out terrorist actions against peoples like those of Libya and that threatens to carry out similar terrorist actions against Nicaragua.

It is important and necessary that we all be clear about the immediate reality of the Nicaraguan revolution in the face of U.S. policy. It is necessary and important that once and for all we be clear about whether at this time or in the immediate term there are possibilities for peace. We want peace. The Nicaraguan people want [4-second break in transmission] peace. The Nicaraguan Government has made great efforts and it has acted with great flexibility in favor of peace. The Latin American countries want peace for the Central American region. The European countries, the socialist community countries, the Arab countries, the African countries, all the countries and peoples of the world want peace for Nicaragua. The U.S. people also want peace. They do not want to be involved in a war against Nicaragua. Then, if the entire world wants peace, why does not peace arrive in Central America? Why isn't there peace between the United States and Nicaragua?

In the past few days a representative of the U.S. Government has been touring Latin American countries, trying to create expectations and give the impression the the United States wants peace. But that is not true because while they are speaking of peace, they are attacking Nicaragua. They are creating more victims in Nicaragua.

In these 4 months of 1986 alone, in January, February, March, and April, in these 4 months the Yankee aggression has caused 1,811 victims. Some 1,811 more victims in Nicaragua, of which 567 are Nicaraguan workers, peasants, and soldiers, and 1,244 are counterrevolutionaries killed by the fire of our Sandinist fighters. Nevertheless, they also are victims of the Yankee aggression because many of them were recruited by the mercenaries by force, through pressure, through deception, and because of (?ignorance).

The United States cannot decieve Latin America with its alleged desire for peace when it is providing more arms for the mercenary forces in Honduran territory. The United States is giving the mercenary forces helicopters right there in Honduran territory, it is delivering the helicopters right to them. U.S. troops in Honduras deliver the rifles, mortars, cannons, helicopters, the weapons used to continue attacking Nicaragua.

The United States cannot deceive Latin America and the world with an alleged message of peace when it continues to carry out its military maneuvers in Honduran territory. Those military maneuvers are directed at undertaking preparations that will permit U.S. troops to launch a direct aggression against Nicaragua.

The Yankee military advisers are in Honduras instructing the mercenary forces. They are also involved in the Piranha boat attacks from Honduran territory. They are involved in the murder of Nicaraguan workers, the destruction of homes, the destruction of agricultural cooperatives, and attacks on our production. There is tension on the border with Honduras, and this tension is not between Honduras and Nicaragua but between the United States and Nicaragua. The United States with its troops in Honduran territory, threatening Nicaragua, attacking Nicaragua. This, of course, is no message of peace. Therefore, we cannot be surprised by the so-called desire for peace expressed by the U.S. Government. Nicaragua desires peace, and has made very concrete proposals. Nicaragua, as Companero Lucio Jimenez has said on behalf of the workers, Nicaragua will not hold a dialogue with the mercenary forces with which the U.S. President wants us to talk. [applause] Nicaragua is willing to hold a dialogue with the U.S. Government. It is willing to hold a dialogue with the U.S. President. Nicaragua is willing to reach serious commitments with the United States, serious commitments that will give security to Nicaragua and that will give security with regard to what the United States says about the Nicaraguan revolution threatening U.S. security.

Nicaragua has also made concrete proposals to the Contadora Group so that Contadora can mediate between Honduras and Nicaragua for the establishment of a control zone in the border area. Nicaragua maintains this demand before the Contadora Group and the Lima Group, so that joint patrols can be established between the Honduran Army and the Nicaraguan Army in the border area. Nicaragua has stated and continues to offer very concrete proposals regarding peace.

Lucio also spoke on behalf of the workers and demanded that the Nicaraguan Government refrain from signing the Contadora document or peace proposal as long as the aggression continues. That is a fair proposal. [applause]

It is a fair proposal. It is a just proposal when we say and reaffirm here today that Nicaragua is willing to continue discussing the pending points of the Contadora peace document.

We clearly state here that, according to the same Contadora positions presented in the Caraballeda document, Nicaragua cannot sign or implement that document until the U.S. direct, indirect, or any other aggression against Nicaragua ends. [applause; crowd chants: Here and there the Yankees will die!]

Early this year, on 21 February, we gave the total figure of the victims which the Yankee aggression has caused in Nicaragua. Regarding the figures I gave you, the number of victims have already increased. I insist that when we supply these figures we are talking about those who die defending the revolution, as well as those who die used [instrumentados] by the Yankee aggression.

To date, there are already 26,688 victims of Yankee aggression in Nicaragua. Of these 26,688 victims, 14,893 are deaths. There are more than 14,000 deaths provoked by the Yankee aggression.

The most ridiculous aspect of all this is that the U.S. Government, which defends its right to become armed to threaten the world's peace now that it is attacking Nicaragua, wants Nicaraguans, in addition to accepting the aggression, to not become armed.

The United States wants to attack us with impunity. But they, who spend millions of dollars in weapons to threaten the life of men on earth, make a big noise when Nicaragua resorts to international solidarity so that the people can have the necessary rifles to defend themselves from the Yankee aggression; so that the people can have the necessary tanks to defend themselves from the Yankee aggression; so that the people can have the necessary helicopters to defend themselves from the Yankee aggression; and so that the people can have the necessary cannons to defend themselves from the Yankee aggression.

The FSLN and the Nicaraguan Government will continue to defend the right that the Nicaraguan people have to arm themselves. [applause, crowd chants: They shall not pass!]

Companero Commander Humberto Ortega, chief of our EPS, was telling us that 2 or 3 days ago the combatants who make up the Patriotic Military Service and are organized in the battalions for unconventional warfare, the hunters' battalions, and the territorial company in Region 5, that is in Chontales, have recovered, among other weapons, 156 G-3 rifles, brand new -- they never got to use them -- from the mercenary forces. Therefore, with these 156 rifles we can arm another 156 workers who are willing to defend the Sandinist people's revolution. [applause, crowd chants: Single army!]

Let the United States continue to give weapons to the mercenaries, because in this way, if we add all those weapons to the weapons that we receive from international cooperation, the Nicaraguan people will have more weapons. [applause; crowd chants: They shall not pass]

We have to talk of the weapons because we Nicaraguans want the weapons to defend the right to life, to defend the right to education and the right to health, to defend self-determination, sovereignty, and national independence. The weapons are to defend the just aspirations of the Nicaraguan people to have better living conditions and to have peace.

Therefore, weapons are an instrument of peace in the hands of the people. Weapons in the people's hands do not have any offensive aim against the neoghboring countries. They do have an offensive aim against the mercenary forces that enter our territory and they will have an offensive aim against the Yankee troops if they intervene in our fatherland. [applause, crowd chants: Here and there, the Yankee will die]

We have spoken about Nicaragua's foreign policy positions. We have said that we cannot have expectations of peace and that we have to prepare better and more for the war that the United States is imposing on us. We have spoken about Nicaragua's willingness to have peace and about the willingness to militarily defend the Nicaraguan revolution.

Today, 1 May, workers' day, we must also speak of production, the economy, and the supplies because the rural and urban workers are the fundamental force for the functioning of the country's economy.

The war that we are currently waging in the face of the U.S. aggressive policy is a war that is being waged not only in the military area but also in the economic field. Reagan has not managed to demoralize the people with bullets, and he will not demoralize us with bullets. But Reagan thinks that if he cannot demoralize the people with bullets, he can do it through starvation. Reagan wants the people to blame the FSLN for the problems of the economy. Reagan wants the people to blame the FSLN when there is a scarcity of toothpaste, soap, boots, clothing, work tools, and food.

Reagan wants the workers to blame the FSLN and curse the revolution when they do not have raw materials and replacement parts at factories, when there is a water and energy shortage. Reagan wants the people to hate the FSLN. Reagan wants the people to abhor the FSLN. Reagan wants the people to hate themselves. And it is a difficult thing for someone to hate himself. The problem is that Reagan cannot understand that the people are the FSLN, [applause] that the people are the Sandinist people's revolution. [applause]

Reagan believes that because the Nicaraguan workers are poor and humble they are ignorant. Reagan believes that the Nicaraguan workers are stupid and therefore easily confused and deceived. Reagan dreams of the moment when the workers, confronting the military aggression, confronting the shots of the Yankee aggression, facing the dangers of the Yankee intervention, and confronting economic difficulties and hunger, tell him: Boss, here are the workers to surrender to the U.S. Government. [shouts, slogans]

Reagan believes that the workers are stupid, that they are easy to deceive. Who took wheat and oil from Nicaragua? The people respond: Reagan; who carries out worldwide campaigns to prevent Nicaragua from getting aid? The people respond: Reagan; who ordered the trade embargo? The people respond: Reagan; who orders the destruction of crops in Nicaragua? The people respond: Reagan; who blocks the entry of replacement

parts in Nicaragua? The people respond: Reagan; who orders the destruction of the Health centers and schools in Nicaragua? The people respone: Reagan; who orders the murder of children, women, and elderly people in Nicaragua? The people respond: Reagan; who is the terroist? The people respond: Reagan; Who is the enemy of the Nicaraguan people respond: Reagan. [slogans, applause]

Reagan must understand that the Nicaraguan people cannot be confused and that despite the greatest difficulties we will defend this revolution. We must, therefore, struggle efficiently in the military and economic fields, and just as the soldiers in the trenches share their bread, we also must share our bread in the production trenches, and in the trenches of basic product distribution. We must be more courageous and disciplined in order to defend the revolution by increasing our productivity. The producers must adjust their production costs; in other words, the workers, with great awareness and discipline, have responded to the crisis and faced great difficulties. The workers ability to purchase basic products has been affected, and we all know that this is not a salary problem, we all know that it is a problem of availability of goods, of fighting against speculation, and of guaranteeing a better distribution of basic products. Just as the workers have had the awareness to understand this, the producers must have a similar attitude.

Producers should have a similar attitude. And a producer cannot be thinking of this war situation Nicaragua is facing. He cannot be thinking of profit margins as if we were under a normal situation. Profit margins must be reduced and perhaps, there are some cases -- as it has already happened -- in which we must eliminate profit margins. Instead, we must guarantee, as much as possible, the basic supplies for the production of spare parts and the raw materials because you are the best witnesses of what is occurring at the factories. You are willing to work. You get to the factories with enthusiasm and discipline but then you find that there aren't any raw materials because there is a delay in the arrival of the raw materials, there was no foreign exchange to bring the raw materials on time, or the spare parts did not arrive on time because of the U.S. blockade. Perhaps then you have the raw materials, the spare parts, and the plants are operating but then there is a power outage. When there is a power outage it affects the plant. And there are power outages because the INE [Nicaraguan Institute of Energy] does not have the necessary foreign exchange to give our energy equipment 100-percent maintenance.

We have problems, serious problems in the economy. We have grave problems in our economy. You know this perfectly well. You are in constant contact, every day, with production, supply, and the economy. You are the best economists that Nicaragua may have. You know the reality of the Nicaraguan economy.

The wisdom of the humble Nicaraguan workers is greater than the wisdom which the ideologists of exploitation and capitalism and COSEP [Higher Council of Private Enterprise] and UPANIC [Agricultural and Livestock Producers Union of Nicaragua] brag about. They are there with their demagogic and false speeches accusing the government, the revolution, and the FSLN of the disaster of the economy, saying that they produced more and better before.

It is true that in Somoza's times, at a given moment, up to $650 million in products were exported. We had estimated that for this year, with a great effort and sacrifice, we could export approximately $350 or $360 million but we see now that we won't be able to reach that figure. In fact, we will export $100 million less than estimated. We are talking about $260 million or $270 million. We are adjusting these figures in order to discuss these figures with you in the next few days.

Does this mean that the revolutionary government and the FSLN are bad administrators? Does this mean that the factories that are in the workers' hands are dropping their productive capacity? They are giving us the example that in Somoza's times they were able to export up to $650 million and that they always kept the factories running. It is true. What these people say is partly true.

It is also true that if, in theory, the Yankees were able to impose in Nicaragua a regime of capitalist exploitation with the COSEP, Upanic, and the Somozist guardsmen, they would probably be able to export $650 million again. But what is the difference between the yesterday of the Upanic, COSEP, the Somozas, the exploiters, and the capitalists and this present of the revolutionary and working people? What is the difference? We will see. What good did it do that the capitalists exported $650 million in the past? What good did it do for the people? How did this benefit the people? Where were these $650 million going to in the end? Who became rich with these $650 million? Did you, companeros workers, receive any benefits from these $650 million? [crowd: No!]

What did these capitalists, exploiters, large landowners, and shameless individuals leave us? They left us illiteracy.

Did they by any chance worry about using these $650 million to teach the people to read and write? [crowd: No!]

Did they by any chance worry about giving housing to the workers? [crowd shouts: No!] One of those individuals who is constantly making statements was known because in his banana plantation the workers lived like dogs and never had the opportunity to organize themselves, to protest, and to express themselves. Did they by any chance use those $650 million to build health centers for the workers? [crowd shouts: No!] Did they by any chance provide good food to the rural workers? [crowd shouts: No!]

Then, what good was it for them to export $650 million or $1 billion if in the end it was for the enrichment of a little group of exploiting capitalists? We would rather have these difficulties -- which are not caused by the revolution -- than the regime of exploitation that the capitalists offer us. It is clear that if the Nicaraguan economy is deeply affected, it is due to the terrorist policy of the U.S. Government. It is also clear that if the Nicaraguan economy is affected, it is because of the unjust trade and economic relations that continue to exist in the world and that always make the smaller and developing countries the victims of exploitation.

We were saying that the economic situation is difficult. We are not interested in the formulas of COSEP, the Upanic or the Yankees but in the formula of the revolution, of the workers, and of the FSLN. This formula can be summed up in the words: discipline, savings, work, productivity. This is everyone's responsibility. It is the responsibility of the FSLN, the revolutionary government, and the Nicaraguan urban and rural workers.

We have so many difficulties and the threats of war exist as the Yankee warmongering escalation further increases. If the economic problems cannot be resolved in the short term, then we have to improve the administrative aspects in order to control and handle the crisis. We must control and handle the crisis. In this way, we will know how to distribute bread with justice, to vigorously fight speculators, to efficiently produce, and to strongly criticize those who commit mistakes whether in the government, the FSLN ranks, in the working rank-and-file, in the administration of factories or the technical cadres in the factories.

We must redouble the critical and revolutionary vigilance so that savings will be effective, so that discipline will enable us to increase productivity, so that we will also win over Reagan in the field of the economic war that he has imposed on us. That is a challenge that all Nicaraguans have.

As I was telling you, in the next few days we will get in touch with the workers through assemblies in the various sectors so that we can adjust the economic plan. We have to adjust the economic plan. We cannot fulfill the economic plan as we initially proposed it. It is not because we do not want to or because we lack willingness but because we lack external resources. Therefore, we have to adjust that economic plan. Just as we promised, we have to review the relationship between wages and prices with regard to the products that the workers have to purchase so that we can guarantee the minimum, basic supplies for the combatants of our Army, for the urban workers, and for the rural workers. In view of the more limited resources due to the war situation, we are forced to increase productivity.

With more limitations we are forced to increase productivity. And we will increase it through the factories by taking care of the machinery and the equipment. And we will also increase it by giving more land to the peasants, [applause] because we all know that any land delivered to the peasants is land that will produce food, land that will then serve to increase the country's productivity.

We -- especially the leaders, the ministers, the directors of enterprises, the technicians, the city's workers, the rural workers, and the small, medium, and large landholders -- must act more efficiently; take care of the work tools; promote the savings of foreign exchange, cordobas, and productive trips; be disciplined; adjust our expenses; adjust our consciences and thus our willingness to work with the same Sandinist determination and spirit which the fighters of our EPS go into combat. [applause]

The fighters of our Army face difficulties, go through sleepless nights, sleep under the rain, fight at all times, and are even willing to risk and give their lives for the defense of the revolution. If they have that same high fighting spirit, the workers of the city and the rural area, in the productive sector, must have a similar fighting spirit as that which the army fighters have. [applause]

This is 1 May, which we commemorate today to remember those who were killed in the United States for defending the rights of the exploited; this 1 May we vow to defend the most noble cause ever known to man on earth, which is that of fighting to eradicate the exploitation of man by man. [applause]

We stated this in the FSLN position presented to the National Constituent Assembly, and we will continue to defend this in the town meetings and in the process of discussion involving the drafting of the Nicaraguan constitution.

This 1 May we are again marching to the trenches of military defense and the production in order to continue the battle of Andres Castro, Zeledon, Sandino, Rigoberto, and Carlos Fonseca. [applause]

The path has been defined by the example of heroism and sacrifice set by our heroes and martyrs. All the workers and peasants will go to the end. Only their organized force will give us a victory. This is how Sandino talks! This is how the FSLN talks! This is how the Nicaraguan people talk! [applause]

In this land of industrial innovators, metal-mechanics workers, construction workers, textile workers, shoe factory workers, food industry workers, and workers in the basic and chemical industries; in this land of rural workers; and in this land of plows, machetes, hammers, rifles, and guitars, the sweat and blood of workers will never again be shed to enrich the regime of capitalist and pro-imperialist exploitation which we sent to hell on 19 July 1979! [applause]

In 1871, when power for workers was only a dream and seemed a utopia, in Paris the workers resorted to what Karl Marx called the attack on heaven, which was the great insurrection of the Paris commune. Today, in Nicaragua, on 1 May 1986, the workers have taken over heaven by assault and from this celestial tropical trench, which is the Sandinist people's revolution, nothing and no one will dislodge us ever! [applause] Victory is ours! Long live workers of the city and the rural sector! [crowd shouts: Long live!] Long live the Nicaraguan workers! [crowd shouts: Long live!] Long live 1 May! [crowd shouts: Long live!] Free fatherland... [crowd shouts: or death!]

WHEELOCK SPEAKS AT UNAG ON AGRARIAN REFORM

PA012220 Managua BARRICADA in Spanish 27 Apr 86 pp 1, 5

[Text] Commander of the Revolution Jaime Wheelock, minister of agricultural-livestock development and agrarian reform, yeaterday told the participants in the first UNAG [National Union of Farmers and Cattlemen] Congress that if a Nicaraguan producer is capable of taking up a rifle, if he produces goods for society, if he is ready to join in a process of equitable distribution of natural resources, and if he can realize that at some point it will be necessary to relinquish a piece of his property to give a place to a poor peasant and welcome him home to the land, then there will be no reason for conflicts to arise with regard to the Agrarian Reform.

After making a detailed analysis of agrarian transformations and related difficulties the leader noted that "we feel at ease from the standpoint of social and economic results." He announced that in 1985 transformations involved 50 percent of the country's arable land. This includes lands that belonged to the Somozists and latifundists, state-owned land, purchased properties, and land grants to Indian communities.

He added that another 30 percent requires no change in ownership because it belongs to small and medium-sized producers and is regarded as being incorporated into the agrarian reform process. "We are not going to expropriate this 30 percent from the small and medium-sized producers only to return it to them again," Wheelock said.

After reporting that this year more properties will be turned over to the peasants individually, Wheelock recalled that while Nicaragua will have more land owners, the Reagan administration is expropriating the properties of small and medium-sized farmers, favoring the major financial corporations and leading farmers to bankruptcy, desperation, and even suicide with his policies.

After explaining the process of agrarian reform during the organization of a new state and a new revolutionary power, Commander Wheelock emphasized the heritage of backwardness, poverty, and complexity of the peasants sector's structure.

He referred to the existence of a colonial system, of sharecropping, and of squatters alongside modern methods of intensive cultivation, and to the situation of small land estates [minifundio] -- which spells doom for marginal lands and poverty -- as the starting point for a reorganization of the agricultural sector.

"We realized that this process of transformation could not be performed overnight and that it had to be a precise and careful process because taking away a property that was grabbed by a Somozist is not the same as transforming the plantation of an efficient owner who perhaps fought against Somoza and joined the revolution at a given moment," Wheelock said.

Along these lines, he said that it is difficult to lump an owner of 200 manzanas who persecuted and murdered a peasant in the same category as an owner of perhaps 400 or 700 manzanas who has no equipment or mechanization, but lives with his family in this abandoned field with his hopes. This may have actually been a small land estate owner who fought imperialism, suffered humiliations, and saw his children die or sacrificed.

"Therefore, neither from the economic nor political, and much less the moral standpoint can we place a Somozist in the same category as a revolutionary simply because both have the same amount of land," he said.

Wheelock said that when the political and philosophical substrata that form the revolution were applied in the agrarian reform, national unity became an appeal to producers to join transformations of the land, guided by the principle of guaranteeing the efficiently exploited properties.

He went on to say that state enterprises, cooperatives, and individual properties -- provided they are efficiently exploited and made a part of the national development plans -- constituted the pluralist beginning of national unity and economic democracy.

Later, he referred to the difficult beginnings of the agrarian reform when it was necessary to identify the properties of the Somozists and those close to them, verify areas, and embody all of this in an economic, banking, and planning and technical process in order to determine later whether the land would be organized into cooperatives, leased to individuals, or left for the state to manage it.

He recalled: "The truth is that we spent more than 1 year with this problem. At first, we were unable to serve the landless peasants."

He added that, for this reason, it was not until 19 July 1981 that the Agrarian Reform Law was outlined and the selective application of it begun, trying not to commit injustices, "although some were committed anyway."

Making a brief summary of the 5 years of the agrarian reform, Wheelock said that the country managed to transfer the control of the land to an alliance formed by workers, state enterprise managers, agricultural, credit, and services cooperatives, and the small-scale producers benefitted by the revolution.

Again, he recalled that "46 percent of the land that had been owned by those in the latifundium system was reduced to 11 percent, to the benefit of new forms of land ownership." He said, however, that this did not represent a final answer to the poor peasants' demands for lands.

Therefore, it was necessary "to make a turnabout in the agrarian reform policy and to make massive land grants to individuals, in order to meet the peasants' demands," Wheelock said, adding that in this way 27,000 peasant families received land during 1984 and 1985, and 1.4 million manzanas were distributed among squatters who had been working for years on land which they did not own.

This was possible despite the consequences of the aggression in displacing thousands of peasant families who were working in the Pacific and northern part of the country on low yield land or who did not have the capacity to produce basic grains. Almost 80,000 families asked for land where they could work, Wheelock added.

He explained that pressure was put on efficient estates or on state properties, but also on cooperatives and "on small and medium-size farms."

"Therefore, the agrarian laws we had implemented all these years were useless because they could not meet these demands, because expropriation could not be applied to estates of less than 500 manzanas in the Pacific region, and of 1000 manzanas in the rest of the country. These estates could not be touched although they were idle, while other estates obtained lawfully during those years when the land was improperly exploited or abandoned were distributed to cooperatives. We ran out of ammunition when the second avalanche of demands took place," Wheelock said.

He added that in 1985, the government had assigned 600 million corbodas to buy 120,000 manzanas to solve the problem. He said that it could not continue like that and that this proved the 1981 law was obsolete.

In view of this, Wheelock indicated, the revolutionary government made an amendment to the law, which included as a fundamental principle the confiscation of any idle property whose owners showed no interest in making it produce and in case of extreme need, the confiscation of some properties no matter how efficient they were, in places where the problems of displaced persons had to be solved and there was no other way to do it.

Referring to the UNAG congress, Wheelock said that it was the result of the peasant movement's lengthy and profound process of maturation "which is culminating in this congress in a political and organizational success after long campaigns of stuggle and indefatigable efforts to organize."

"We feel upon seeing this large crowd and the thorough and mature discussions that hav taken place how the peasants have not only actively joined the revolution, but that they already represent a dynamic support which we cannot do without a real power, a voice, a guideline, and without any doubt, a pillar of the Sandinist people's revolution," Wheelock said.

Wheelock referred to the price incentives offered to producers. In this respect, he said that 14,700 cordobas will be paid per quintal of prime cotton, with incentives from $1.75 for cotton of inferior quality to $5.50 for superior quality cotton. For coffee, for which the price is 21,000 cordobas per quintal of prime quality coffee, incentives will range from $10 to $13. The price for sesame seed is 9,000 cordobas per quintal and for sorghum 1,600 cordobas per quintal.

Referring to another issue, Wheelock said that the government has received 256 Fiat trucks which will be distributed among producers as part of the efforts to provide better conditions for producers.

Wheelock added that the Agrarian Development and Agrarian Reform Ministry will fully assume this year the technological and material supply to rural areas, which the Domestic Trade Ministry had been doing.

He also said that the country has all the equipment necessary for the harvest, and he asked producers not to speculate with corn and beans prices now that prices are not going to be under control.

BILL ABOLISHING ANTI-SOMOZIST COURTS REJECTED

PA301925 Managua Domestic Service in Spanish 0300 GMT 30 Apr 86

[Text] By a vote of 18 to 54, a bill abolishing the Anti-Somozist People's Tribunals was rejected in today's session of the National Assembly. The bill had been presented by the Independent Liberal Party [PLI]. Through the Anti-Somozist People's Tribunals, the people's revolutionary justice has been applied against members of the Somozist mercenary bands which are directed and financed by the U.S. Government. The PLI's proposal to dissolve the anti-Somozist tribunals was rejected by a big majority.

SOVIET AMBASSADOR CONCLUDES 6-YEAR TERM

PA282228 Managua Radio Sandino in Spanish 1200 GMT 26 Apr 86

[Text] German Schlyapnikov, Soviet ambassador in our country, will return to his country on Monday, thus concluding 6 years of intensive diplomatic activities in Nicaragua, it was reported by Foreign Ministry sources. The Soviet ambassador was characterized by his openness toward the country's news media. Through him, his government gave proof of its support to the Sandinist revolution during difficult times, -- support which included the donation of 20,000 tons of wheat to Nicaragua on 22 April 1981.

Schlyapnikov will be replaced by Vayno Iosifovich Vyalyas the current Soviet ambassador to Venezuela.

BRIEFS

INTERNATIONAL EDITION OF BARRICADA -- Madrid, 23 Apr (AFP) -- Nicaraguan Embassy sources said today that the international edition of BARRICADA, the official newspaper of the Sandinist Front, will be published and printed in Barcelona starting the first week in May. It will be published weekly and will be distributed in Spain and other European countries. [Text] [Paris AFP in Spanish 1158 GMT 23 Apr 86 PA]

ROBERTO VEIGA ADDRESSES HAVANA MAY DAY RALLY

FL011518 Havana Domestic Service in Spanish 1309 GMT 1 May 86

[Speech by Roberto Veiga, member of the Communist Party of Cuba Politburo and secretary general of the Central Organization of Cuban Trade Unions, commemorating May Day at Havana's Revolutionary Square -- live]

[Text] Comrade Commander in Chief Fidel Castro Ruz, Comrades of the Politburo, the Secretariat, and the Central Committee of the Communist Party of Cuba; comrades of the government, of the political and mass organizations; members of the National Committee of the Central Organization of Cuban Trade Unions; comrade national work heroes, workers, combatants, federated women, members of the Committees for the Defense of the Revolution, peasants, students, and outstanding pioneers who with their presence honor this dais; [applause] comrade representatives of more than 50 trade union organizations of 40 countries who, specially invited, are attending this commemoration; [applause] other invited comrades who represent the diplomatic corps accredited in our country; comrade workers: On this first day of May we are commemorating an event of special significance. This year is the 100th anniversary of the Chicago workers' riots. The historic resonance of the struggle for an 8-hour work day and the worldwide repercussions of those riots were the origin of International Workers' Day. Cuba, one of the first countries in America and the entire world to join in this celebration, is proud to note this day as a true celebration of creative work and internationalism. The red banners of the proletariat fly triumphantly in our social fatherland. [applause] We are once again holding the combatant people's march, which on this occasion expresses the spirit of struggle, enthusiasm, and the resoluteness with which Cuban workers mobilize to carry out the agreements of the third party congress. [applause]

This historic event showed us our future course. It has given us the draft program that, when debated and approved will become our combat flag; and it has given us a standard of great exigency, renewal, discipline, and work. Here in Revolutionary Square, as in the celebrations held today in all the provinces of our country, the will of the workers will be made manifest to celebrate the 30th anniversary of the Granma landing with more productivity, greater efficiency, greater profitability, and higher quality in production, services, and teaching. Cuban workers, in a very special way, will express today their identification with and absolute support for the pronouncements that Comrade Fidel made on 19 April. [applause]

We are aware of the responsibility that the workers and trade unions have in the problems and deficiencies fairly pointed out by our commander in chief. The role of the working class will be that of marching in the vanguard of this struggle, serving as examples of the fulfillment of duty and carrying out a systematic, uncompromising battle against all manifestations of negligence, irresponsibility, tolerance and parasitism.

With the same ardor with which we defended our revolutionary achievements at the Playa Giron, with the same decisiveness with which we mobilize every time the enemy threatens us, we will pledge to participate in this action in defense of the dignity, morale, and principles of our working people. [applause]

We all know that this cannot be done in a day but will require a long, sustained struggle, and we are ready to carry out this struggle for as long as is necessary.

We will begin with ourselves, calling for more work, more discipline, and better use of the work day. And with the same determination and firmness we will challenge those who do not want to participate in the struggle, who seek privileges and easy money, who try to replace socialist effort with inventions of capitalist mentality or squander material and human resources by applying bureaucratic concepts and deformations.

At the same time, this year we will have to make even greater efforts to confront the consequences of the capitalist economic crisis, the fall in oil prices, the devaluation of the dollar, and the adverse climatic conditions that have been affecting us persistently. Sugar production demands special attention. We all know that the drought, Hurricane Kate, and the rains have negatively affected the results of the present sugar harvest. Their effects have been minimized thanks to the self-denial and heroism shown by the workers in this sugar harvest. May will be a full sugar harvest month in most provinces. All the sugar mills must operate at maximum capacity, and efficiency must be increased even more in all sugar harvest activities. We must keep in mind the need to continue the harvest in May and the need to plant cane in May as planned for prejudicing the weeding of the canefields. This will require a great effort by all the workers now involved in the sugar harvest.

To support this effort, during the months of May and June the trade unions will have to mobilize additional forces in many provinces. There is a great deal of work to be done, but there is no alternative. All our capacity to organize and mobilize will be used to achieve this great objective. The country and the revolution expect it from us, and we will not disappoint them. We will never lose sight of the fact that strengthening the economy is the same as strengthening the defense of the fatherland.

We do not close our eyes for even one moment to the complex situation of our area and the world. Libya is a convincing lesson of the criminal perfidy with which the Yankee imperialists act. Production and defense are our permanent watchwords and are the most sacred of our pledges. Through our special "Centers Ready for Defense," we will continue to give all our proletarian warmth to the preparation of the country for a people's war. We will continue to support the organization and financing of the territorial troops militia, and we will give all our support to the task of constantly strengthening our socialist fatherland.

Comrades, last year, from this same spot, we announced the idea of holding a broad, unitary, and combative trade union conference of the workers of Latin America and the Caribbean on the foreign debt. This conference was held with great success in Havana. At this conference our commander in chief put into the hands of the Latin American and Caribbean trade unions the banners of the historic battle not to pay the foreign debt, including interest payments, of the new international economic order, and of progress toward the economic integration of our countries. At the conference, among other measures it was agreed to hold the day of continental action on 23 October last year in repudiation of the unpayable and unbearable foreign debt and in defense of the most vital interests of the workers and nations of the region.

This year, on 23 October, we will again charge in this worthy and just struggle. We will give an even stronger, more energetic demonstration, as is demanded by the worsening of the crisis that our peoples suffer. By agreement of the World Federation of Trade Unions and other trade union organizations, we will this time hold a worldwide day of action against the debt. From this dais we again call on all trade unions, without distinctions of any kind, to join this necessary battle for the survival and future of our peoples, which cannot be put off. From this dais, we reaffirm to Comrade Fidel that the banners you gave the Latin American and Caribbean trade unions are in firm hands, in safe hands, and are marching forward victoriously! [applause]

On this day we greet our brother workers and peoples of the socialist community, all the workers and trade union organizations that struggle in the capitalist countries, the workers and peoples of this continent, and especially those who are today confronting reactionary, fascist, and antidemocratic regimes. We express our solidarity very especially toward the heroic people of Nicaragua, [applause] who greet this 1 May mobilized against the dirty war of the U.S. Government; the heroic people of El Salvador, [applause] who hold high the banners of their struggle for liberation; and the workers and people of Haiti, [applause] who smashed the infamous tyranny and are now mobilizing to achieve the democratic changes their country crys out for, sunken in misery and exploitation. We give our internationalist encouragement to all the workers, all the patriots, all the revolutionaries who struggle worldwide against imperialism, colonialism, neocolonialism, racism, and apartheid. We give our fraternal embrace on this 1 May to all Cuban workers, to all the combatants and workers who are carrying out this day far from their homeland their honorable duties of solidarity. [applause]

We greet all those who are commemorating this 1 May at the sugar mills, in the canefields, on our merchant and fishing ships, at work in production and services, and all our combatants, who are also part of the working people, who at this moment are protecting the security of our coasts, the ocean, and the skies of our socialist homeland. [applause]

In this march of our combatant people we will reaffirm once again the unshakeable determination of the Cuban workers to continue building and defending their future and the decision to struggle for as long as necessary for our principles, for our morale, for out socialist and communist goals, for the triumph of peace in the world, and for the unstoppable advance of the cause of justice, progress, and liberation of the peoples. Long live International Workers' Day! Long live brotherhood and solidarity between workers and peoples of the entire world! Long live our Communist Party of Cuba! Long live Fidel! Fatherland or death, we shall overcome! [shouts and applause]

R. Castro Leads Camaguey Parade

FL011752 Havana Television Service in Spanish 1700 GMT 1 May 86

[Text] Army General Raul Castro, second secretary of the Central Committee of the Communist Party of Cuba [PCC] and FAR minister, has presided over the parade and ceremony commemorating International Workers' Day in Camaguey Province. It was an act of revolutionary reaffirmation where all the people of Camaguey spoke in one voice, like one man, and said in unison: Commander in chief, command us!

The second secretary of the Central Committee headed the greatest mobilization of the combative people in Camaguey in honor of the 100th anniversary of the International Workers' Day. More than 100,000 residents of Camaguey marched with their posters, cheering in solidarity with the proletariat struggles of the world, in support of the resolutions reached at the Third PCC Congress, and in complete support of the revolution and Fidel Castro.

In Camaguey all the people have celebrated 1 May with achievements in production, services, and economic areas, and they have made pledges to be more efficient, organized, and conservative, as called for by Commander in Chief Fidel Castro.

Ciego de Avila Marks Day

FL011956 Havana Radio Rebelde Network in Spanish 1700 GMT 1 May 86

[Text] The people of the Province of Ciego de Avila have celebrated May Day, International Workers' Day, with a parade and mass meeting at Abel Santa Maria Square in Ciego de Avila, in which more than 40,000 persons participated. Jose Ramirez Cruz, alternate member of the Politburo and president of the National Association of Small Farmers [ANAP], attended the celebration, which constituted a brilliant demonstration of organization, enthusiasm, and the decision to respond to the program of the third party congress and carry on with the building of socialism.

Dimaris Aquino Diaz, member of the provincial executive bureau of the party and secretary general of the Central Organization of Cuban Trade Unions in Ciego de Avila, gave the main address, recognizing the efforts of the workers in the province to express their solidarity with their brothers of the socialist camp and with all proletarians who work and struggle worldwide for a better future.

Cienfuegos Celebrates

FL011932 Havana Radio Rebelde Network in Spanish 1700 GMT 1 May 86

[Text] In Ceinfuegos, Armando Hart Davalos, Politburo member, presided over the multitudinous popular celebration of May Day. All the calculations of attendance at the parade were greatly surpassed. The parade was characterized by combativeness, enthusiasm, and discipline. In his opening remarks, Antonio Gonzalez, secretary general of the Provincial Central Organization of Cuban Trade Unions, ratified the support of the Cienfuegos workers for Fidel's programs and for the agreements of the third party congress.

Posters and slogans carried by proletarian hands -- members of the Committees for the Defense of the Revolution, of the Federation of Cuban Women, students, and peasants -- demonstrate the confidence of the people of Cienfuegos in the future of our revolution and our willingness to defend it at the cost of our lives.

Students and workers from brother countries who live in Cienfuegos joined in the proletarian celebration.

CASTRO AWARDS THIRD PARTY CONGRESS BANNERS

FL020133 [Editorial report] Havana Television Service in Spanish at 0000 GMT on 2 May begins live coverage from Havana's Cubanacan Reception Hall of a ceremony presenting the third party congress banner to various organizations. The establishing shot shows a group of unidentified people standing in the interior of the reception hall, apparently waiting for the ceremony to begin. The announcer is heard explaining that various political, social, defense, and national security groups participated in the emulation and that the third party congress banner is the highest honor given to highlight for their achievements.

At 0004 GMT Cuban President Fidel Castro is seen entering the room and stands in a line with Vice President Carlos Rafael Rodriguez, Politburo members Jose Machado Ventura, Vilma Espin, and other unidentified persons.

A military band begins playing, and the the Cuban flag is brought to the room by three soldiers. At 0006 GMT the Cuban national anthem is played, and announcer Manolo Ortega then reads an introduction explaining that various mass organizations fulfilled their goals, thus the Politburo agreed to confer the third party congress banner on the Union of Young Communists [UJC], Central Organization of Trade Unions [CTC], National Association of Small Farmers [ANAP], Federation of Cuban Women [FMC], Committees for the Defense of the Revolution [CDR], Federation of University Students [FEW], Federation of Intermediate Level Students [FEM], Organization of Jose Marti Pioneers, and the Central Political Directorates of the FAR and Interior Ministery. He added that the 16 national labor unions and 5 best municipalities of the country would also be honored with the banner.

Fidel Castro hands a banner to representatives of some of the aforementioned organizations: Roberto Veiga for the CTC, Vilma Espin for the FMC, Jose Ramirez Cruz for the ANAP, Armando Acosta Cordero for the CDR. Other Cuban officials join Castro in handing out banners.

At 0014 Castro leaves his place in line and is seen casually talking to a small group of people. His voice is not heard. The announcer says the transmission has ended and the cameras return to the studio.

RAUL CASTRO SPEAKS TO UJC PLENARY MEETING

FL301340 Havana Tele-Rebelde Network in Spanish 1100 GMT 30 Apr 86

[Text] Army General Raul Castro, second secretary of the Central Committee of the Communist Party of Cuba and FAR minister, has presided over the ninth plenum of the National Committee of the Union of Young Communists [UJC], held at the UJC national cadre school. During his speech Castro called on Cuban youths to continue preparing with quality for the defense of Cuba's victories. He referred to the need to increase the level of instructors and cadres who are responsible for preparing youths to defend this land with all the requirements of modern war.

Later Castro said that with the number of youths who have learned to shoot, Cuba should be able to win Olympic titles, and he praised the positive achievements of the past 5 years in combative preparation. The FAR minister stressed the importance of continued perfection and increased quality. Our responsibility, Castro stressed, is to be prepared for everything, and the main instrument in confronting imperialism is the war of all the peoples.

The participants of the UJC plenum discussed topics related to the educational staff process, people's camping plan, formal education, and student emulation.

RISQUET CLOSES COMMUNICATIONS SYMPOSIUM

FL010045 Havana Radio Rebelde Network in Spanish 2300 GMT 30 Apr 86

[Excerpt] Politburo member Jorge Risquet Valdes has presided over the main ceremony and closing session on the New International Information Order Symposium held on the occasion of the 25th anniversary of Radio Havana Cuba at this capital's Palace of Conventions. Regarding the importance of these events Risquet said:

[Begin recording] Therefore, we believed that it was only fair to hold this international symposium during the 25th anniversary of Radio Havana Cuba. Its success, the depth of its lectures, and the clarity of its discussions, confirm our people's expressed wishes and make their demands for a new international information order an unyielding battle which will pave the way for economic and social liberation. [end recording]

NAVAL, PORT TECHNOLOGY, SAFETY SYMPOSIUM ENDS

FL010305 Havana Radio Reloj Network in Spanish 0204 GMT 1 May 86

[Text] According to Pedro Ross Leal, Central Committee member and chief of the Communications and Transportation Department, one important feature of the Sixth Symposium of Naval and Port Technology and Safety is that intellectual effort has been directed toward responding to technical and economic requirements of enterprises. Ross Leal closed the 3-day symposium today at Havana's Palace of Conventions. Over 230 delegates and 50 guests participated in the meeting, among them representatives of the Soviet Union, Nicaragua, Finland, FRG, UK, Spain, and Argentina, 13 foreign firms, and 1 cuban firm.

During the closing ceremony, engineer Pedro Julio Gonzalez, chairman of the organizing commission, reported that 12 lectures were given and 3 round tables held. Fourteen enterprises displayed products and naval equipment.

USSR GOVERNMENT REPORTS ON CHERNOBYL ACCIDENT

PA020220 Havana International Service in Spanish 1600 GMT 1 May 86

[Text] The USSR Council of Ministers has reported that aside from the 2 people reported dead as a result of the accident at the Chernobyl nuclear center, 18 others have been reported as seriously ill. The announcement, made today, adds that there are no foreign citizens among the injured people and that medical treatment is being given to 197 people who were admitted to the hospitals, 49 of whom have been clinically discharged.

The communique adds that the radioactivity level in the area of the accident, as well as in the towns around it, has dropped. Meanwhile, a press report states that the Soviet Government met with Western European ambassadors to Moscow to inform them that the situation at the Chernobyl center has been brought under control.

'OUR AMERICA' SCORES U.S. CARIBBEAN EXERCISES

PA011245 Havana International Service in Spanish 2300 GMT 30 Apr 86

["Our America" commentary]

[Text] The United States considers the Caribbean basin a backyard which it must militarize by all means, using national security as a pretext. From this interventionist policy stems constant aggressions against Cuba, destabilizing pressures against governments trying to maintain an independent line, and, of course, as a main example, the military invasion of the small island of Grenada in 1983.

Washington has managed, with the approval of regimes of the area which support that policy, the promotion of constant military exercises in the Caribbean that, under the name "Ocean Venture," have been taking place since 1981. The empire's cannon's are booming again in the Caribbean Sea. Planes loaded with bombs are flying across the skies. In a few hours the territory of Grenada and of the Puerto Rican island of Vieques will be the sites of U.S. Marines and soldiers from various Caribbean countries disembarking.

A total of 20,000 U.S. soldiers are participating in these maneuvers, which, according to the Yankee high command, are carried out to simulate an attack on radicals trying to control a country of the zone.

Representatives from progressive Caribbean organizations and even the U.S. news media say the current U.S. military maneuvers in the Caribbean are preparations for an eventual, direct attack on Nicaragua. To confirm their observations, they refer to similar exercises carried out in Vieques in 1981, which were a general practice for what became, 24 months later, the invasion of Grenada.

The maneuvers in the Caribbean, which do not exclude what the imperialist term a warning to Cuba, are complemented by constant exercises in Honduras, mainly in areas close to the border with Nicaragua. All this is part of a dangerous military process that could explode and turn the region into the scene of violent clashes.

Meanwhile, Washington is tying to sweeten the military pill for its allied governments in the Caribbean through offers of economic assistance which it never fulfills. The plan for the Caribbean basin implmented by Ronald Reagan has been a big fiasco for the governments of the area, which trusted in the promises of the powerful neighbor. As a matter of fact, Washington is sending more battleships, fighting planes, and cannons than the much expected dollars, and at the same time it tightens the screws of bilateral commerce and excludes from import duty preference the products which have traditionally been the source of income for the Caribbean countries. This is the reward for those who believe in Washington and prefer to live under its shade, instead of defending the real interests of their people.

DOMINICA

DLP TO SEND STUDENTS TO SOVIET BLOC COUNTRIES

FL012110 Bridgetown CANA in English 2040 GMT 1 May 86

[Text] Roseau, Dominica, May 1, CANA -- The opposition Labour Party (DLP) says it is determined to send more Dominicans on scholarships in Soviet bloc countries despite strong objection from the government.

Opposition parliamentarian Rosie Douglas told a public meeting last night that there were 45 Dominicans being trained in Cuba as well as Austria through the efforts of the DLP and the now defunct Dominica Liberation Movement Alliance (DLM), and his party is securing scholarships for 15 more Dominicans to study abroad from this September.

The training of Dominicans in socialist countries has been vehemently opposed by the Eugenia Charles administration which claims that students are indoctrinated. The government wants all scholarships offered to Dominicans to be processed through a scholarship committee set up by the education ministry.

But Douglas said last night the ruling Dominica Freedom Party (DFP) would not send his young party supporters to study. It is our duty as a labour party, and we will find the scholarships, he declared.

The meeting was held in the constituency of St Joseph where a by-election is to be held on Monday. The vacancy was created by the jailing of former prime minister Patrick John for conspiracy to overthrow the government.

HAITI

FORMER MAYOR, TONTONS MACOUTE CHIEF DETAINED

PA011510 Paris AFP in Spanish 2358 GMT 30 Apr 86

[Text] Port-au-Prince, 30 Apr (APF) -- Frank Romain, former mayor of Port-au-Prince and former colonel in the Haitian capital's police force, has been placed under preventive detention, Justice Minister Francois Latortue announced today. According to the minister, Romain was detained because he has been accused of murder, cruelty, and the mistreatment of individuals.

The minister also announced that Paul Vericain, former commander of the Tontons Macoute (the Duvalierist people's militia) in Petionville, a residential area 8 km from the capital was detained on Monday. Vericain had also been mayor of Petionville.

The announcement of these detentions coincides with the beginning of proceedings against Luc Desir, one of the former leaders of the Duvalierist political police, who is regarded as one of the ousted regime's bloodiest figures.

PRESIDENT HOYTE DELIVERS MAY DAY SPEECH

FL012327 Bridgetown CANA in English 2243 GMT 1 May 86

[Text] Georgetown, Guyana, May 1, CANA -- President Desmond Hoyte today announced a joint drug manufacturing project with Barbados and Trinidad and Tobago, a five-day work week and other initiatives in a May Day address. He said the reduced work week will be introduced in non-controversial areas of work in June and will be reviewed after nine months.

Hoyte told an audience of 10,000 that Guyana remained committed to the regional integration movement and looked forward to signing trade and economic agreements this year with Trinidad and Tobago.

He said Guyana was pursuing the pharmaceuticals manufacturing project under which Barbados and Trinidad and Tobago would supply the raw materials. The pharmaceuticals -- which he did not specify -- would be made by the state-owned Guyana Pharmaceutical Corporation. Hoyte did not say how far advanced agreement for the joint undertaking had reached.

He also disclosed that the Inter-American Development Bank (IDB) will be disbursing U.S. 17 million dollars this year for the complete rehabilitation of the problem-plagued Guyana electricity corporation. He told workers that U.S. 8 million dollars would be spent on the rehabilitation of the bauxite industry.

Inefficiency will not be tolerated in the predominant state sector, Hoyte said. State enterprises must make profits or go to the wall, Hoyte warned.

He said a public scrutiny committee will be established and a special section within his office set up to hear public complaints against misconduct of government officers.

The president said four unarmed [as received] international mining companies will begin exploration for gold here in partnerships with the government.

He also said a new line of credit with Venezuela had been negotiated for drugs and fertilizer, while a road project to link Guyana and Brazil will be reactivated. The project was suspended about six years ago because Guyana was unable to meet the agreed 45 per cent of the costs.

Opposition leader Dr Cheddi Jagan called on the government to end ties with the International Monetary Fund and to provide wheaten flour and other essentials for working Guyanese. The Hoyte administration lifted a ban on the importation of wheaten flour -- imposed because of a severe foreign exchange shortage earlier this year -- but imports have not resumed, although official sources said negotiations are underway with the European Community. The police no longer prosecute traders who illegally import the product.

Jagan told the Trade Union Congress (TUC)-sponsored rally that Guyana should look to the Cuban model of development. The acting president of the TUC, Gordon Todd called on the government to ease the hardships on the workers, decrease unemployment, and improve public transportation.